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EDC

TODAY

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Geared up for export success

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higher risk markets**

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WINTER

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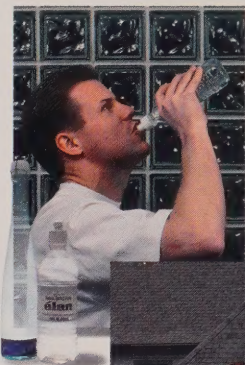
Great Waters of Canada Inc., Findexx Manufacturing Inc. and Armoroof Export Inc. are part of the growing wave of smaller-sized Canadian companies that are exporting, with confidence – thanks, in good measure, to EDC's short-term insurance support.

11 Quantum leap

By forming seven sector-based customer teams, a team to serve the needs of smaller exporters, and a Financial Institutions Team, EDC has taken a giant step toward better understanding and meeting customers' needs.

20 Healthy export growth for 1996

Although the pace of global economic activity eased considerably last spring, global expansion is still alive, and conditions are favourable enough to produce reasonably good growth in 1996, says EDC Chief Economist Jim Olts.



Front cover

From left: Don Berggren, General Manager, and Al Hinton, Sales and Marketing Manager, both of Berg Chilling, with David Little, EDC Business Development Manager

Photo of men: Julien LeBourdais, Photo Features Ltd.

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EDC expands coverage for higher risk markets

As part of its commitment to become more customer responsive, EDC has extended its short-term insurance cover for a number of higher risk emerging markets.

EDC frequently walks a fine line between helping Canadian exporters access foreign markets and detecting financial risk in these markets. Over the past several years, however, customer feedback has consistently indicated that EDC's appetite for risk in non-traditional export markets was a key concern.

The need for EDC to respond to this issue increased as economic growth – and the resulting increased export opportunities – accelerated in emerging markets. In the next decade, annual gross domestic product (GDP) growth in emerging markets is forecast to average 4.8 percent, almost twice that of the developed world.

More aggressive

"By listening to feedback from our customers and sharing opinions with our counterparts in other countries, we decided to become more aggressive in a number of higher risk, non-traditional emerging markets," says Keith Milloy, EDC's Chief Underwriter, Short Term Insurance.

Since then, EDC has reaffirmed its commitment to provide insurance for public- or private-sector transactions in higher risk markets. In the fall of 1995, EDC reviewed its restricted country guidelines, which resulted in 26 changes – with only three changes leading to a

more restrictive position or a country downgrade.

"We are re-entering some of these markets for the first time in years, and in some cases, we are going in for the first time ever," says Milloy. "It's part of our commitment to become an increasingly customer-responsive organization."

Increased flexibility

EDC has also adopted a far more flexible position on insuring transactions in higher risk markets. In supporting exporters that do business in Lebanon and Egypt, for example, EDC has for the past couple of years been restricted to providing coverage on transactions supported by Irrevocable Letters of Credit. The Corporation is now, however, willing to support open account transactions.

"Our customers are increasingly doing business in these markets using open account terms, which puts their foreign receivables at greater risk," Milloy explains. "It was therefore critical that EDC be willing to support exports to these markets on an open account basis."

EDC has also reduced the claim waiting periods for foreign exchange problems in a number of markets.

"We've eliminated the extended waiting period for claims made on exports

to Costa Rica and Ecuador, for example," says Milloy. "This helps exporters in a number of ways, including enhancing their working capital position, as the value of the security offered to their banks has been heightened."

Case-by-case assessment

Short-term credit insurance policies are core EDC products that protect exporters against losses due to non-payment from their buyers. Both commercial and political risks are covered, including buyer insolvency, default on payments, foreign exchange conversion difficulties and cancellation of government import or export permits.

The level of financial developments and market demand in higher risk markets are the criteria EDC uses to determine whether or not to extend short-term insurance cover.

"We will consider the strengths of public- or private-sector buyers on a case-by-case basis," adds Milloy. "We cannot guarantee we'll be able to support every transaction, but we are very interested in examining the business transactions our customers bring to us."

"The higher risk markets are key export destinations for many of our customers," he adds. "We feel confident that we can take on and successfully manage risk in these markets and, ultimately, better support Canadian exporters."

Michael Salter



Signings in support of Canadian exporters

Greater support for exports to Mexico

Responding to a strong demand by Canadian exporters, EDC has added US\$50 million to a line of credit with Mexico's largest bank, Banco Nacional de México, S.A. (Banamex). The increased financing brings the total amount of the line of credit to US\$125 million.

The agreement was signed by (appearing in foreground of photo, from left) Raul Anaya, Banamex Executive

Vice-President and General Manager; Guillermo Jiménez, Banamex Senior Vice-President, Trade Finance; Eric Siegel, EDC Senior Vice-President, Medium and Long Term Financial Services; and Michael McLean, EDC Vice-President, Americas and Europe.

Among those who witnessed the signing were Luc Dupont, EDC's Regional Manager, NAFTA Countries and Chile (standing near Siegel) and Max Avila, Representative (Toronto) for Banamex (standing near McLean). ↓

Increased line of credit with Mexico

Canadian companies selling goods and services in Mexico can benefit from an additional US\$5 million that EDC has added to its line of credit with Banca Serfin, S.A. – one of the largest commercial banks in Mexico. The increased financing brings the total amount of the line of credit to US\$25 million.

New line of credit with Peru

EDC has signed a US\$15 million line of credit agreement with Banco Wiese Ltda., one of Peru's largest commercial banks. Under the agreement, Canadian exporters can obtain medium- and long-term financing for their Peruvian buyers. The agreement represents EDC's first signing in Peru since the Corporation resumed financing cover for this country late in 1994. Signing on behalf of Banco Wiese were Victor Miró Quesada Gadjens, General Manager and Manuel Custodio Poemape, Finance Manager. Signing on behalf of EDC were Eric Siegel, Senior Vice-President, Medium and Long Term Financial Services and Michael McLean, Vice-President, Americas and Europe.



Help for entering China market

Canadian exporters selling goods and services in China can benefit from three signings between EDC and banks in China.

EDC has renewed a US\$25 million line of credit with the Bank of Communications and another line of credit with the People's Construction Bank of China in the amount of US\$100 million. As well, EDC has signed an allocation under an existing line of credit with the Bank of China. All three documents were signed at an Annual General Meeting of the Canada China Business Council last fall.

Shown signing, in photo, from left: Su Wanchuan, Vice President of the People's Construction Bank of China; Qiao Wei, Executive Vice President of the Bank of Communications; Yang Huiqiu, Vice Chairman, Vice President, Bank of China; and Paul Labbé, President and Chief Executive Officer, EDC.



EDC rides info highway

To meet customers' growing demand for more electronically transmitted information, EDC has launched an interactive Web site on the Internet located at <http://www.edc.ca>.

EDC's Web site provides information on the Corporation's products and services through news sources that include **EDC TODAY**, news releases and annual report highlights. To encourage export growth among Canada's small-business community, a special section describing EDC's support for smaller exporters has been added to the Home Page.

The site also provides country/market information, information on activities carried out by EDC's regional offices (such as trade fairs and speaking engagements), an index of key EDC people customers can contact and a listing of career opportunities at EDC.

As well, the site provides users with electronic links or gateways to Web sites of other organizations that support exporters, such as the Department of Foreign Affairs and International Trade Canada and the Canadian Exporters' Association.

Next time you're cruising along the electronic Infobahn, please take a few minutes to visit EDC's Web site, and tell us what you think. We think you'll be surprised by what you find.

For more information on EDC's Web site, contact Mike Schroeter at:

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Mike Schroeter

Project Manager, Marketing

EDC customers more satisfied: Survey

Last fall, hundreds of EDC customers participated in the Corporation's 1995 customer satisfaction index (CSI). Thanks to your input, we have obtained valuable information on what you, our customers, think of our products and services, and how we can improve them to better meet your needs.

The following summarizes the survey results:

- In 1995, customers' overall level of satisfaction with EDC was 8.5 out of 10. This score is up from the 8.3 score registered in 1994.
- Two indicators comprise the CSI: customers' overall satisfaction with EDC's service, and their likelihood of recommending EDC's services to business associates. Both indicators recorded increases in 1995.
- Eight out of 10 customers stated that EDC's greatest strengths are its professionalism, the knowledge and accessibility of its staff and its turnaround times. (For instance, 78 percent of customers agreed that

EDC provides a decision on a buyer credit limit in a timely manner.)

- At the same time, customers indicated that EDC needs to continue to improve its services in the areas of pricing and risk appetite.
- When asked to compare EDC's services with those of other financial institutions, nearly one out of two customers said EDC provides better overall service, has a greater appetite for risk and turns around more quickly on customer requests.

Paul Hamelin

Project Manager, Marketing

Thanks, readers

Many thanks to the hundreds of **EDC TODAY** readers who took the time to respond to our readership phone survey last fall. Kudos also go out to the dozens of readers who participated in our focus group sessions in Toronto and Montreal. Highlights of the survey and focus groups will be published in the spring issue.

New Minister for International Trade appointed



Arthur C. Eggleton

The Honourable Arthur C. Eggleton, P.C., M.P., has been appointed Canada's Minister for International Trade, replacing the Honourable Roy MacLaren. In 1993, Mr. Eggleton was elected to the Parliament of Canada as the member for York Centre in the City of North York (Metropolitan Toronto). Shortly thereafter, he was appointed President of the Treasury Board of Canada and Minister Responsible for Infrastructure. Mr. Eggleton had previously served for 22 years as a member of Toronto City Council and the Metropolitan Toronto Council. He is also a past mayor of Toronto. EDC reports to Parliament through the Minister for International Trade.

Board members appointed



Thomas A. Bernes

Thomas A. Bernes was recently appointed to EDC's board of directors. Mr. Bernes has held a number of senior, trade-related positions in the federal government. Mr. Bernes was appointed Assistant Deputy Minister of the International Trade and Finance Branch in January 1993 and was appointed G-7 Deputy, effective September 1995.



Robert G. Wright

Robert G. Wright was also recently appointed to EDC's board of directors. Among other trade-related positions, Mr. Wright held a number of senior positions with External Affairs Canada, including Director, GATT Affairs Division and Director General, U.S. Trade and Economic Policy Bureau.

Mr. Wright is currently Deputy Minister for International Trade.

EDC team to ensure greater support for SMEs

A new EDC team has been created to help the Corporation better understand and meet the needs of small- and medium-sized enterprises (SMEs).

SMEs have consistently constituted more than 80 percent of EDC's customers during the 1990s. In the past four years alone, smaller exporters have concluded nearly \$10 billion in export business with EDC support.

During this period, certain EDC insurance policies have been simplified for SMEs and product features have been designed to reduce paperwork, simplify processes and improve turnaround times.

However, according to SME Services Team Leader Peter Cowan, EDC recognizes that more can be done to support this vital sector of the economy. To that end, he says, the SME Services Team was formed last August to help EDC develop a better understanding of SME exporters.

"The team co-ordinates all EDC initiatives aimed at SMEs and focuses on improving processes, developing products and building partnerships centred around SMEs," says Cowan.

The creation of the SME Services Team follows closely on another substantive initiative the Corporation took last March, when it launched the Emerging Exporters Team. (See article, page 7.)

"The main difference between the two teams is that the Emerging Exporters Team deals directly with customers on a transaction basis, whereas we work behind the scenes to co-ordinate efforts and develop new products," Cowan explains. "Another difference is scope: the Emerging Exporters Team specializes in customers with export sales of less than \$1 million; our focus includes exporters with total sales of up to \$25 million."

Key tasks for the SME Services Team will be determining SME needs, both through research and direct contact, and

then ensuring an appropriate match between those needs and EDC's products.

"We will also keep a close eye on how SME needs are being met by the financial services offered by other intermediaries, such as the private sector and both federal and provincial government departments," says Cowan. "That way, we can avoid overlap and inefficiencies in the products and service we deliver."

To date, the team has implemented two key initiatives designed to encourage banks to provide smaller exporters with increased access to credit financing.

- The Master Accounts Receivable Guarantee (MARG) Program can increase a smaller exporter's operating line of credit by leveraging foreign accounts receivable as bank security. (See article, pages 6 and 7.)
- The Smaller Exporters' Guarantee Framework is a risk sharing arrangement with financial institutions that provides smaller exporters (with annual export sales of less than \$10 million) with another way to get medium-term export financing. The exporter has the option of getting medium-term financing for a foreign buyer from a bank, with the EDC guarantee, or directly from EDC. Smaller exporters can contact their banks' international trade centres for more information.

"We want EDC's services to be readily accessible to SMEs and to satisfy their needs," says Cowan. "Our SME Services Team is one more means through which we can do that."

MARG framework for smaller exporters

Smaller exporters now have an additional means of expanding their operating capital. Through its Master Accounts Receivable Guarantee (MARG) Program, EDC has teamed up with Canada's financial institutions to give smaller exporters access to increased lines of credit by leveraging their foreign accounts receivable as bank security.

"Small exporters told us they needed a program that would enhance the value of their foreign accounts receivable, which financial institutions were often uncomfortable accepting as security," explains Peter Cowan, Team Leader of EDC's SME Services Team, which helped develop the MARG Program. "MARG was created to respond to that need."

The primary difference between MARG and EDC export credit insurance is that MARG provides the banks with protection against 90 percent of losses of the funds extended under a MARG-supported operating line, should the exporter's company fail. EDC's export credit insurance provides exporters with up to 90 percent protection against non-payment by foreign buyers.

As EDC's coverage is provided to the bank, the decision to request MARG coverage rests with the bank and would be negotiated between the bank and the client. MARG can provide support for lines of up to \$500,000 and excludes only a handful of countries from coverage.

ark benefits

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A pilot project was run with Bank of Montreal and the Royal Bank of Canada last fall. Since then, the Banque Nationale, the Caisse centrale Desjardins and the Toronto Dominion Bank have all signed on, and the Bank of Nova Scotia and CIBC are expected to follow shortly.

MARG eligibility requirements

To be eligible for the MARG Program, an exporter must have annual total sales of less than \$5 million at the time of application.

Application procedures for MARG:

- Exporter applies to its local bank branch for a line of credit or an increase in its existing line of credit, in the same way it always has.
- The bank will assess the exporter's application using its usual credit granting criteria.
- If the bank deems the exporter to be an acceptable credit risk and wishes to apply for MARG, the account manager will then forward the bank's application directly to EDC.
- Upon receipt of the application, EDC will have two business days in which to respond.

Emerging Exporters Team gives new, smaller exporters a boost

EDC is improving its risk protection for new exporters by eliminating a deductible from its small-business credit insurance that was automatic for companies new to exporting.



One of the biggest risks a small business faces in exporting is not getting paid. Through EDC's Emerging Exporters Team, smaller businesses new to exporting now have better risk protection, since they won't be subject to the automatic deductible when filing a claim.

With an EDC Export Credit Insurance Policy, exporters are insured up to 90 percent of the value of their exports if the foreign buyer doesn't pay. In

addition to risk protection, many exporters use EDC-insured export receivables as collateral to access working capital from their banks.

EDC also expects the elimination of the deductible will encourage banks to provide additional financing to their smaller customers that are starting to export.

Whether selling to the United States or overseas, new exporters have been telling EDC that a deductible of between \$5,000 and \$15,000 often got in the way of financing with their banks. The Corporation is now responding to meet their needs.

EDC's Emerging Exporters Team was created in March 1995 to exclusively service Canadian firms with annual export sales of less than \$1 million. By the end of December, the team had reached several major milestones, having:

- issued more than 420 new export credit insurance policies to more than 1,300 customers, representing an average of more than 46 new policies per month;
- provided approximately \$420 million in support to smaller exporters – a figure that well-surpassed the \$242 million in support provided to smaller exporters throughout all of 1994;
- received more than 25,000 customer calls, with an average of 90 calls per day;
- processed more than 60 percent of buyer credit approvals within 24 hours;
- processed 25 percent of all EDC buyer credit applications;
- supported more than 30 customers whose annual exports rose to exceed \$1 million while being serviced by EDC's Emerging Exporters Team;
- participated in seminars, Canadian Bankers Association's workshops and trade shows for smaller exporters; and
- sent out more than 6,000 direct mailings to potential customers across Canada, in an effort to support a larger number of smaller exporters.

Linda Conway and Kurt Rufelds
Members, Emerging Exporters Team

Smaller exporters diversifying

Three Canadian companies are part of the growing wave of smaller-sized enterprises that are exporting, with confidence – thanks, in good measure, to EDC's short-term insurance support.

For those who think of exporting as the traditional domain of larger-sized companies, think again. Of those small- and medium-sized enterprises (SMEs) in Canada that export, more than 35 percent of their sales are exports, compared with 31 percent for large-sized companies.

Furthermore, SMEs are not exporting exclusively to the United States. In fact, some 19 percent of SMEs' total exports are destined to non-OECD markets, compared with 25 percent for large-sized companies.

Rolfe Cooke, Vice-President of EDC's Short Term Financial Services, concedes that smaller-sized exporters may have difficulty cracking certain emerging markets, especially if they've just started exporting.

"However, if an SME understands its target market, has a good handle on its potential buyers, develops a solid business plan and can identify and manage the risks involved in exporting, it can reap substantial rewards in selling to foreign markets," he says.

John Hutchison, Team Leader of EDC's Emerging Exporters Team, agrees that smaller exporters can be very successful in exporting their products or services.

"About 60 percent of the Corporations's 2,200 customers export under \$1 million a year," he says. "While it is important that a company be well-established before it starts to export, that doesn't mean the company has to be large."

Great Waters of Canada Inc., Findexx Manufacturing Inc. and Armoroo Export Inc. are among the

growing number of smaller-sized companies that have begun exporting in the past few years.

Each of these three companies came to EDC for export credit insurance at the time they started exporting, or shortly thereafter. Each has been supported through the Corporation's Emerging Exporters Team, created last March to assist firms with annual export sales of less than \$1 million.

Pure water runs south

Today, business is booming for Great Waters of Canada Inc., which sells bottled water under a variety of labels in 40 states south of the border. But back in 1992, shortly after the Cambridge, Ontario-based company was founded, Great Waters suffered a product recall on its first shipment to the United States. The water had been contaminated by a brownish residue – unsightly but harmless – caused by a malfunction at the bottling plant.

"We immediately switched manufacturers, but we lost \$50,000 on the recall," says President Gary Berger.

Great Waters was quickly hit by a second catastrophe, when its largest distributor fell behind in payments and filed for bankruptcy. It was then that Great Waters learned the hard way that it pays to have export credit insurance.

"We kissed two truckloads of product good-bye," says Berger. "That cost us another \$25,000."

Although Great Waters had run a credit check on the distributor, it had found no indication of impending trouble.

"We decided to save the cost of insuring our receivables and instead carried the risk ourselves," explains Berger. "Unfortunately, the distributor expanded its operations too rapidly and collapsed."

On the plus side, Great Waters had plenty of working capital. However, coping with the two losses took up much of its management's time in the first few months of the company's life. Today, Berger no longer lets a truck roll down his company's driveway unless the cargo is covered by an EDC Short Term Insurance Shipments Policy.

"Before we approve a new distributor, we ask EDC for an independent credit opinion on the distributor," he says. "This gives us an important additional credit review tool."

Obtaining EDC-insured receivables also helps Great Waters better manage its working capital.

"Our bank will advance us 75 percent of the amount of the EDC-insured receivable," says Berger. "This is important, because we pay our suppliers every seven days but offer 60-day terms to customers. Without EDC coverage, it would be harder to finance our day-to-day business."

This year, Great Waters will start exporting to Western Europe and has already hired a German-speaking marketing manager to lead its drive overseas. "Knowing we're entering that market with EDC coverage gives us tremendous business strength," says Berger.

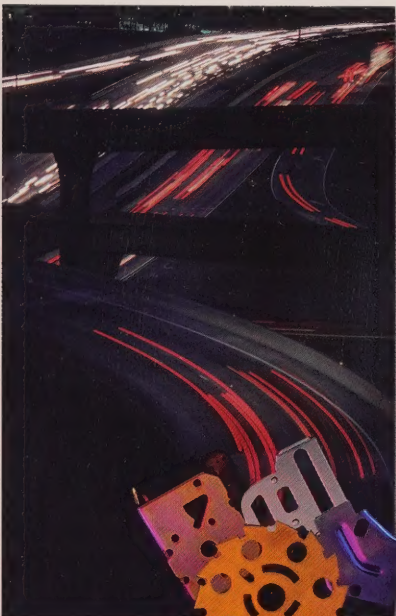


Mantle & Overall Communications

their export markets

Braking into export markets

As Findexx Manufacturing Inc.'s export business has grown over the last few years, so has its reliance on EDC's products and services. Based in Markham, Ontario, Findexx specializes in manufacturing disk brake backing plates and custom metal stampings. The company sells primarily within Canada and to the United States and, on a lesser scale, to Mexico.



Inset photo courtesy of Findexx Manufacturing Inc.

Before 1992, Findexx did not insure its export receivables. The situation changed, however, as its southbound sales increased.

"Because we were establishing so many new customers at once, we felt it was important to protect our export receivables," says Controller Robert Budgeon. "As well, we had larger cash requirements as our operations expanded. Our bankers said they would advance us more money if our receivables were insured through an EDC Short Term Insurance Shipments Policy.

"We've received excellent service from EDC's Emerging Exporters Team," he adds. "The team has a very sizable database on foreign buyers and can provide us with a credit search or approval over the phone in minutes. Now we always request a background check even before we approach a potential customer."

DF Tools & Die, a sister company which manufactures stamping dies, began exporting to the United States in late 1995. Purchasing an EDC Short Term Insurance Contracts Policy is a top priority for the company.

By definition, all industrial dies are custom-made because they are manufactured for one specific purpose. DF Tools & Die therefore incurs considerable up-front costs in designing and making steel dies, which can weigh up to 5,000 kilograms each.

"If the customer cancels the order, the die is useless," says Budgeon. "With an EDC contracts policy, we won't be hung out to dry if something goes wrong: the policy insures the repayment of the costs we incur from the time the order is received."

Lighter than slate

Armorooft Export Inc. of Brampton, Ontario, is living proof that cultivating business in a foreign market can be a lengthy (albeit rewarding) undertaking – even when you're selling a product that has several advantages over local market products.

Armorooft sells high-quality shingles manufactured with either an organic felt base or fibreglass mat, coated with asphalt and surfaced with ceramic-coated granules. The shingles are less expensive and far lighter than many traditional roofing materials. For example, a standard-sized roof may require only three to four tons of shingles, but up to 40 tons of slate.

Armorooft exports to South America, Western and Eastern Europe, the Middle

East, Far East and Australia. However, selling shingles into foreign markets that traditionally use other materials involves a tremendous amount of legwork.

"You need to hook up with specialists who know the export market you're trying to penetrate," says Armorooft President, Richard da Costa. "Quality sells, but you must also consider compatibility with local building traditions and materials, and you must conform to local building codes and warranty practices."

Da Costa has always been financially cautious when entering foreign markets. "We don't take credit risks," he maintains. "In fact, we often ask for cash in advance until we've established a track record with a new customer."

Using EDC's short-term insurance is integral to Armorooft's business strategy when dealing on terms other than cash in advance.



Courtesy of Armorooft Export Inc.

"In emerging and newly developed markets, things can go wrong that are beyond the control of your buyer," Da Costa points out. "Having my export receivables insured by EDC gives me a greater sense of security."

Michael Salter

Insurance smoothes road for EDC-financed export deals

Exporters thinking of applying to EDC for financing for their foreign customers should inquire about export insurance early in contract negotiations. Otherwise, they might be in for a surprise. Witness Berg Chilling Systems.

Even when an EDC-financed export transaction is rolling ahead at full steam, there are certain precautions an exporter should take to keep the wheels of exporting from wobbling, says EDC Business Development Manager, David Little.

"Sometimes, exporters assume that any transaction financed by EDC is 'golden' – totally risk-free," says Toronto-based Little. "Although that frequently is the case, there are foreign political or commercial risks beyond anyone's control that could cause a deal to derail, leaving the exporter unprotected. That's where an EDC insurance policy comes into play."

Berg Chilling managers now agree that EDC insurance is an essential safeguard for exporters using EDC financing.

In its 24-year history, Berg Chilling Systems of Scarborough, Ontario, has had extensive international experience with its industrial cooling systems. Currently, the firm exports 45 percent of its annual sales.

About a year ago, Berg Chilling was finalizing details on a US\$2.8 million transaction with state-owned Hua Du Meat Products of China. Selling to China was an extremely complicated undertaking. Berg Chilling made many trips and spent endless hours sorting out and reworking numerous details with partner suppliers to develop a freeze-drying plant for meat and vegetables in Beijing.

During the negotiations, Berg Chilling applied to EDC for customer financing for the first time.

"Our application was approved by EDC in record time," says Berg Chilling's Sales and Marketing Manager, Al Hinton. "However, we initially assumed there was a guarantee to protect our export

receivables inherent in the financing agreement, because of EDC's stringent examination of the risks. We quickly found out that we were not protected at all."

Understanding the risks

At first, Berg Chilling strongly questioned the idea of having to purchase export insurance. But once Little explained the risks associated with exporting, Berg Chilling managers gave the matter careful consideration and decided to buy two types of insurance.

The first type of insurance, Specific Transaction Insurance (STI), covers the export transaction for political or commercial risk.

"The principal issue in an export contract supported by an EDC loan is that our lending responsibility and disbursement of funds is with the borrower, not the exporter," says Little. "EDC credit insurance not only addresses the potential of a loan transaction being canceled, or cessation of disbursement, but the impact either event would have on the export contract."

When non-payment occurs

"If EDC was unable to continue disbursing funds due to the borrower's default on other loans – or should a political event cause Canada to sever ties with the buyer's country – the exporter may not be paid under the terms of the contract," says Little. "As well, the contract itself may be canceled, leaving goods in process and payments in default."

The second type of insurance Berg Chilling obtained was in the form of performance security products. Performance Security Insurance (PSI) covers the performance bond issued by the exporter's bank in the form of a letter of

guarantee which bonds an exporter's performance to the buyer. The bank is required to pay the buyer on its first demand for any reason. However, PSI offers 90 percent coverage for the exporter in the event of a wrongful call on the bond, or a rightful call beyond the control of the exporter.

The sister facility, the Performance Security Guarantee (PSG), is a 100 percent guarantee to the bank against any call, either rightful or wrongful. "The PSG becomes a prime security for the bank, allowing it to release the exporter's funds if it would otherwise hold aside for issuance of the letter of guarantee," says Little. "In essence, the PSG becomes a working capital guarantee allowing the exporter to utilize these funds."

Berg Chilling managers now agree that EDC insurance is an essential safeguard for exporters using EDC financing. "It is essential that exporters find out which policies they need early in negotiations with the customer, in order to include the costs in the agreement," says Hinton.

Brenda Stewart

From left: Don Berggren, General Manager, and Al Hinton, Sales and Marketing Manager, both of Berg Chilling, and David Little, EDC Business Development Manager, discuss Berg Chilling's pumping skid. The skid is a component of a large temperature-control unit used for numerous applications including pulp and paper processes.



Julien LeBourdais, Photo Features Ltd.

Quantum leap

EDC has taken a giant step toward better understanding and meeting customers' needs through its recent reorganization.

There's an old saying that you don't really know someone until you've walked a mile in their shoes. This was the driving force behind the recent restructuring at EDC.

Under its new organizational structure, EDC is now aligned by seven sector-based customer teams that will concentrate on developing an in-depth knowledge of the industry sectors they support. (See articles, pages 12 to 19.) An eighth team, the Emerging Exporters Team, serves the needs of smaller exporters with annual export sales of less than \$1 million.

As well, the Financial Institutions Team provides specialized services, in partnership with financial institutions, to support short-term export sales across all industry sectors.

"Although our customers have long recognized EDC's strong foreign-market expertise, they have also told us we needed to develop a thorough understanding of their business sector and the competitive challenges they face," says EDC President and Chief Executive Officer, Paul Labbé. "That was one of the main reasons behind our reorganization."

Other reasons included the need to streamline service to customers, respond more quickly to insurance and credit applications, increase EDC's capacity to manage risk and provide strengthened support to smaller exporters.

"The teams now have greater autonomy to generate financial solutions for customers across EDC's product lines and to make quicker decisions than in the past," says Labbé. "The goal is improved customer service through one-stop shopping for exporters."

The sector-based customer teams are: Base and Semi-Manufactured Goods, Consumer Goods, Engineering and Professional Services, Financial Institutions, Forestry, Industrial Equipment, Information Technologies, and Transportation. While most of the teams were launched November 1, the

Information Technologies Team and the Emerging Exporters Team were established as pilots last March.

The teams are based at EDC's head office in Ottawa. With the exception of the Financial Institutions Team, the teams have business development managers located at various EDC regional offices across Canada. While customers are usually served by one customer team, the customer teams themselves are supported by several other EDC groups, including a Country Centre of Expertise (CCOE), a separate risk management group, a team of economists, Project Financing and Equity, Foreign Investment Insurance, and Contract Insurance and Bonding.

The role of the CCOE is to maintain and further develop EDC's foreign-market expertise and to be the focal point for strategic relationships within foreign markets. CCOE will integrate its efforts with the customer teams and their customers, to maximize EDC's efforts in support of Canadian exporters.

According to Michael McLean, Vice-President, Americas and Europe, "Customers have told EDC they rely on us to understand the complexities of foreign markets and to bring this knowledge, as well as our foreign contacts, to bear on their behalf. The role of the CCOE is to do just that."

EDC's country specialists have several roles to fill, including:

- developing and maintaining knowledge of foreign markets and developing specific country business strategies, to meet customers' needs;
- analyzing foreign markets to determine the best EDC products for a given market;
- determining which intermediaries and financial institutions to partner with and negotiate terms with; and
- managing relationships with large, multisectoral borrowers whose needs are diverse and could not readily be met by just one customer team.

The CCOE also works closely with EDC's team of economists, which assesses risks and opportunities in both country and sectoral markets.

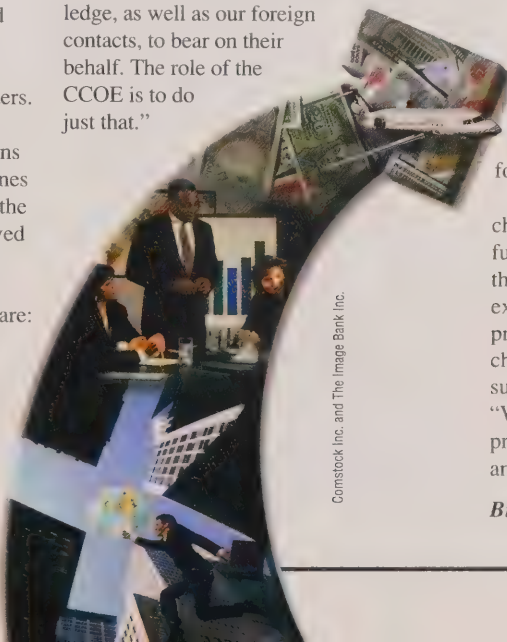
EDC's regional offices will continue to play a vital role in providing personalized service to customers, says Ruth Fothergill, EDC's Vice-President, Ontario Region.

"Our job is to create long-standing business relationships with customers and to work hard at maintaining our knowledge of customers' needs related to their particular industry sector," she explains. "Each contract EDC develops for a customer is an individual solution crafted to meet particular needs."

"We are also aware, however, that the solutions we create today may not meet customers' needs tomorrow," she adds. "EDC's new organizational structure will give us the knowledge and flexibility to anticipate and prepare for customers' changing needs."

Labbé agrees that being able to change alongside Canadian exporters is fundamental to EDC's ability to support them. "Because Canada depends on exports for its continued growth and prosperity, EDC must continuously challenge itself to find new ways to support Canadian exporters," he says. "We believe our new approach will provide us with the knowledge, flexibility and responsiveness to do that."

Brenda Brown and Lynn Gauker



Comstock Inc. and The Image Bank Inc.

Supporting Canadian exporters resourcefully

Through its customer team created to service exporters of base and semi-manufactured goods, EDC is aiming to help these companies take on risk more aggressively.

Canada's two gold rushes – one that took place in British Columbia in the mid-1800s and another that began in the late 19th century in the Yukon – turned world attention to the country's immense mineral wealth. Since then, Canada's international reputation for its natural resources has continued to flourish, accompanied by growing international recognition for its processed goods of a base nature.

Today, base and semi-manufactured goods is one of the most important export sectors to Canada's economy, second only to transportation.

Exports are critical to this sector. In 1994, Canada exported more than \$62 billion worth of base and semi-manufactured goods. That figure is expected to increase sizably in the next few years, with forecasted annual compound growth of nearly nine percent, to the year 2000.

Canada's top five base and semi-manufactured goods sub-sectors are metals, oil and gas, chemicals, minerals, and plastics. More than 80 percent of these goods are destined for the United States each year, with the majority of the balance exported to Western Europe, Asia and Japan.

Just as base and semi-manufactured goods have served as building blocks for Canada's economic foundation, so too has this been a key sector for EDC. In 1995, the sector represented more than \$3.4 billion of the Corporation's business volumes, ranking second to forest products.

While these volumes are driven primarily by short-term insurance, EDC also provides exporters in this sector with significant Foreign Investment Insurance coverage, as well as medium-term insurance and financing.

Last November, under its corporate restructuring, EDC created a customer team to support Canadian exporters of base and semi-manufactured goods, whose individual annual export sales exceed \$1 million.

According to Team Leader Kevin Harris, the rationale for forming the team was to allow EDC to gain a better understanding of the issues customers in this sector face. "This will allow us to help customers better manage their risk and will allow our customers to pursue export business more aggressively."

Each of the team's four financial services managers has been assigned to specific major sub-sectors, including fertilizers (potash and sulphur), metals (such as steel and aluminium), textiles (such as bolts of cloth, as opposed to garments) and building products.

"Each manager will attend conferences and maintain frequent contact with members of associations related to one particular sub-sector, in addition to exclusively supporting customers in that sub-sector," Harris explains. "This will allow our managers to better understand the sub-sector in general, as well as customers' specific needs and risks."

"Because we'll have a better understanding of customers' export risks, in turn we'll be in a better position to take on more risk, even if it's high," he adds. "This is particularly important, given that our customers are venturing into higher risk markets such as Brazil."

Harris expects the team structure will provide customers with several other benefits, including:

- one access point to a full range of EDC's products and services;
- enhanced, customized products and services, based on the team's increased understanding of customers' businesses and needs; and
- access to information on buyers, foreign markets and sub-sectors, through EDC's network with industry analysts and trade associations.

According to Harris, there is significant room for EDC to increase the number of base and semi-manufactured goods exporters it services, given that the Corporation supports approximately four percent of Canadian exports generated by this sector.

"With our new team structure, coupled with EDC's leading-edge technology, we're now in a better position to help more Canadian businesses and to better serve existing customers," he says. "We expect to provide world-class support to this vital sector for many years to come."

Lynn Gauker, with contributions by Cathy Lynch and EDC's Base and Semi-Manufactured Goods Team and Marketing Department

Keith Wood, TONY STONE IMAGES



Base and Semi-Manufactured Goods Team Leader: Kevin Harris

Goods supported include: Non-forestry and non-agri-food natural resources and processed goods of a base nature, such as ores and minerals, oil and gas extraction and refining, coal and petroleum products, chemicals, fertilizers, plastics, rubber and building materials.

Customer contacts:

- Base and Semi-Manufactured Goods Team at (613) 598-2823 (for companies whose annual export sales exceed \$1 million)
- Emerging Exporters Team at 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

A consuming passion for exporting

Through its new customer team, EDC is strengthening support for consumer goods exporters.



Consumer Goods Team Leader: Jean Beaulieu

Goods supported include: Household goods (rather than industrial goods), including highly processed and high-value-added goods, agri-food and retail goods.

Customer contacts:

- Consumer Goods Team at (613) 597-8501 (for companies whose annual export sales exceed \$1 million)
- Emerging Exporters Team at 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

As Canadian exporters of consumer goods face increased international competition and shrinking export markets, gaining an export edge is more critical than ever before. EDC is hoping to provide that edge through its recently created Consumer Goods Team.

The team was formed in November to support Canadian companies that sell household goods (rather than industrial goods), including highly processed and high-value-added goods, agri-food and retail goods.

The need to create the team arose from the fact that consumer goods has been an important traditional industry for

both Canada and the Corporation for more than 50 years, particularly in the areas of furniture and apparel. According to Statistics Canada, the Canadian consumer goods industry recorded \$27 billion in exports in 1994 and an average annual growth rate of 12 percent between 1990 and 1994.

For EDC, consumer goods exports accounted for \$1.85 billion in business volumes in 1995 – 11 percent of the Corporation's total business. The industry also represents a significant portion (12 percent) of EDC's customer base.

According to EDC

Consumer Goods Team Leader

Jean Beaulieu, approximately 93 percent of the Corporation's support for consumer goods exporters is export credit insurance. He says this is the right product for this industry, because export sales are often based on short-term credit of up to 180 days.

However, he admits that while the team has the right products to help protect and support the growth of consumer goods exports, EDC presently supports only a small percentage of Canadian companies in this industry.

"By the end of 1996, we're hoping to increase the number of customers we support by about 15 percent," says Beaulieu. "The team structure should allow us to do that, because we'll be focusing our efforts strictly on companies in this industry and will be forming closer ties with industry associations."

The team is also focusing on supporting small- and medium-sized enterprises (SMEs) that export consumer goods and that generate considerable employment in Canada.

"SMEs currently represent about 70 percent of our consumer goods customers," says Beaulieu. "EDC has made big strides in recent years in helping SMEs in this sector boost their annual export sales. That's a trend we hope to continue."

The major challenge currently facing the industry, says Beaulieu, is that export growth for consumer goods is expected to remain relatively low – less than 10 percent – over the next few years. One reason for the slowdown in growth is the increasing competitiveness from emerging markets. Another reason is a decrease in export sales of consumer goods to the United States, which traditionally has been the destination for more than 65 percent of Canada's retail goods.

"The United States is under increasing pressure to slash prices of its consumer goods, because consumer spending has weakened in recent years," says Beaulieu. "This has driven a record number of U.S. buyers into bankruptcy in the past few years and therefore dramatically reduced the number of U.S. sales outlets for Canadian goods."

"Our export credit insurance can protect Canadian exporters against the risk of buyer bankruptcies, as well as other commercial or political risks," he points out. "Also, exporters' banks are usually more willing to extend or increase an operating line of credit against export receivables if they know those receivables are insured."

Beaulieu maintains that EDC's shift to a sectoral approach will not greatly affect the way most consumer goods exporters do business with the Corporation: the majority of customers will still be dealing with the same people they've always dealt with at EDC.

"The difference for customers will be that they can now call upon a team of specialists," he explains. "Through the team structure, we'll be able to get to know their businesses and their exporting risks better and, in turn, be better able to meet their specialized needs, turn around more quickly on buyer and credit approvals and, hopefully, take on more risk."

Brenda Brown, with contributions by EDC's Consumer Goods Team and Marketing Department

Engineering global trade

EDC has created a customer team to provide strengthened support to exporters of engineering and professional services.

Business, professional and educational services represent an estimated 20 percent of world trade. In recent years, these services have become the fastest-growing component of international trade, with an annual growth rate of eight percent. Annual forecast growth of Canadian business services to the year 2000 is nine percent.

Canada's business and professional services now comprise the largest component of the country's non-merchandise trade, accounting for 38 percent of service-related exports and ranking second in export earnings behind motor vehicles.

Through the years, EDC's support for business services – particularly engineering and professional services – has grown hand-in-hand with Canadian exports. In 1995, EDC's business volumes in support of exporters of engineering and professional services totaled nearly \$1 billion, driven by the Corporation's medium- and long-term programs.

Latin America has been the major export destination for EDC's customers of engineering and professional services, followed by Asia Pacific, Africa and the United States.

Although Canada's services exports have increased steadily over the years, its services export performance lags behind other countries in terms of share of gross domestic product (GDP). Increasing support for Canadian companies that export engineering and professional services is therefore vital to Canada's economic prosperity.

EDC took a major step toward increasing support for this sector through the creation of a customer team in November to service exporters of business and professional services whose annual export sales exceed \$1 million.

"Because the team provides both insurance and financing support, customers can contact the team for all their financial needs," says Team Leader Sherry Noble.

"This means more efficient service for all our customers, whether the customer is an SME requiring credits insurance or a major engineering company looking for financing and foreign investment insurance for an infrastructure project."

Noble adds that since the team supports one sector only, team members can gain greater insight into customers' needs.

"The dynamics of the services sector and the challenges services providers face are not the same as those of manufacturers," she says. "Through this team approach, we can develop a deeper understanding of these dynamics and challenges and can better respond to our customers."

This means the new team structure will allow EDC to better support both small- and medium-sized businesses, whose trade financing needs and understanding of risk are often quite different from those of large firms.

"We can tailor the right product and service package to meet each customer's requirements," says Noble. "As well, we're planning to liaise more effectively with engineering and other trade associations, to increase sector awareness of how we can assist services exporters and obtain their views on how we can play a more effective role."

Having EDC on board as a financial partner is particularly critical to exporters in this sector, says Noble. "The team structure will allow us to develop closer



Jean Louis Batt, Masterfile Corp.



**Engineering and Professional Services
Team Leader: Sherry Noble**

Services supported include: Construction, engineering, management consulting, scientific, technical, transportation and entertainment.

Customer contacts:

- **Engineering and Professional Services Team** at (613) 598-3162 (for companies whose annual export sales exceed \$1 million)
- **Emerging Exporters Team** at 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

working relationships with customers than in the past and, in turn, to become more of a strategic financial partner to them."

Lynn Gauker, with contributions by Cathy Lynch and EDC's Engineering and Professional Services Team and Marketing Department

Plan to attend EDC's Spring

"Let's Talk Risk" Workshops



Export with
confidence

**EDC
SEE**

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Minimizing risk

Managing risk is as important to running a successful business as managing personnel and accounts. For example, as an exporter you risk not being paid by a foreign buyer; problems with contracts after you've produced the goods but before you've shipped; and wrongful calls against your bid or performance guarantees.

Managing these risks by using EDC's export credit insurance, guarantee and financing services has become an integral part of the export strategies of both large and small Canadian companies. The risks will never disappear, but EDC can help to minimize them so you can maximize your opportunities in global markets.

A unique forum for exporters

Twice a year, EDC hosts a series of "Let's Talk Risk" Workshops across the country. These workshops bring together exporters, economists and risk experts to discuss what's happening in your markets and how you can protect your business.

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"Let's Talk Ri

If you're taking on the
Make sure you talk t

Specific topics of discussion vary, but the focus remains the same – *how you can stay competitive in global markets while minimizing and managing the risk.*

Valuable reference guide yours to keep

EDC's Country Risks & Opportunities Workbook covers economic data, political issues and collection experience.

This handy reference guide will help you manage risks and exposure in the months following the workshops.

Workshops include

- *Critical information and trade environment*
- *EDC's Country Risks & Opportunities*
- *Knowledgeable speakers*
- *Opportunity to share experiences*

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Lynn Gauker, with contributions by Cathy Lynch and EDC's Engineering and Professional Services Team and Marketing Department

On the Road to New Markets?

*If you are a small- or medium-sized business,
EDC can help you ...*



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Minimizing Export With



ze Risk. Confidence.

Inside Track

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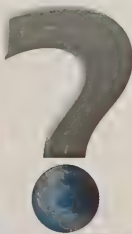
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What are 5 keys to putting your business on the road to export success



Risk Management

Can you afford to take a loss if your foreign buyer doesn't pay? If you're exporting you need to protect your company's bottom line.

Financing

Can you easily access working-capital financing from your bank? You need the security of a steady cash flow.

Decision-making

Can you put the financial products you need in place without a lot of red tape? You need a decision-maker a phone call away.

Experience

Can you afford to go it alone? You need financial solutions from people who have the knowledge and experience to help you succeed.

Competitiveness

Can you compete effectively with other suppliers in foreign markets? Can you miss out on a deal because you asked for a cash sale? You need to give your buyer time to pay.

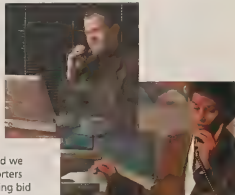
Solutions, Service and Speed Designed for Small-and Medium-sized Exporters

"My EDC insurance policy was put in place in minutes over the phone."

Dominic Cristofani, Co-owner of Trud Distributors Inc.

Solutions that Work

EDC insurance covers 90% of a loss if your foreign buyer doesn't pay. With EDC loans to foreign buyers of Canadian capital goods and services, we pay you directly according to the terms of your contract and then we collect from your foreign buyer over time. And we have programs to help exporters meet requirements for posting bid and performance bonds.



Working Capital

EDC insurance and guarantees provide the security banks need to maximize a company's operating line of credit. This can help you acquire the funds you need to fill export orders, improve cash flow when you give buyers time to pay, and capitalize quickly on opportunities in the United States or overseas.

Time is Money

You're never more than a phone call away from expert knowledge and advice about financial services that let you export with confidence. Call us free of charge from 9 a.m. to 5 p.m. *your* time. It pays to make EDC a part of your export business strategy.



Financial Products that Meet Your Needs

"Without EDC we wouldn't be here today."

Mirok Planeta, President of Macro Engineering & Technology Inc

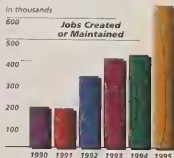
No Company is too Small

Thousands of small- and medium-sized businesses have used EDC to export and grow. In fact, more than 80% of our customers are small- or medium-sized. No company is too small to export, and no company is too small for EDC.

Customer Base
by Size of Company



Exports Mean Jobs and Growth



More and more Canadian businesses are looking to foreign markets, and EDC is right there with them. Canadian companies exported to 130 countries with EDC support last year. That means jobs right here at home. More than 650,000 jobs were directly created or maintained in Canada through exports supported by EDC in 1995.

Experience that Works for You

EDC's more than 50 years of experience, knowledge of foreign markets and associated risks combine to give you export confidence. We can also tell you if your potential buyer is a good credit risk – because you don't actually have a sale until you are paid.

Five Simple Steps for Small- and Medium-sized Exporters



If you're export-ready and want to minimize risk and export with confidence, follow these 5 simple steps:



Call our toll-free number to reach a knowledgeable decision-maker.



We will ask you a few basic questions about your business, your products, your needs and the countries you plan to do business in.



If we can't help you, we'll refer you to someone who can.



Our small-business specialists can take your insurance or line of credit financing application, put insurance coverage in place, and approve foreign buyers ... all over the phone.



Once you're a customer, use the same 1-800 number to take care of all your export credit needs with EDC. Our lines are open from 9 a.m. to 5 a.m. *your* time.

**EDC
SEE**

*Drive your
business towards
success in the
international
marketplace.*

**Call
1 800 850-9626
today!**

Toll free across Canada,
Monday to Friday during
your regular business hours.

Engineering

EDC has created a customer team and professional services.

Business, professional and educational services represent an estimated 20 percent of world trade. In recent years, these services have become the fastest-growing component of international trade, with an annual growth rate of eight percent. Annual forecasted growth of Canadian business services for the year 2000 is nine percent.

Canada's business and professional services now comprise the largest component of the country's non-merchandise trade, accounting for 38 percent of service-related exports and ranking in export earnings behind motor vehicles.

Through the years, EDC's support business services – particularly engineering and professional services – has gone hand-in-hand with Canadian export success. In 1995, EDC's business volumes in support of exporters of engineering and professional services totaled nearly \$1 billion, driven by the Corporation's medium-term programs.

Latin America has been the major export destination for EDC's customer engineering and professional services, followed by Asia Pacific, Africa and the United States.

Although Canada's services exports have increased steadily over the years, services export performance lags behind other countries in terms of share of world domestic product (GDP). Increasing support for Canadian companies that export engineering and professional services is therefore vital to Canada's economic prosperity.

EDC took a major step toward increasing support for this sector through the creation of a customer team in November to service exporters of business and professional services whose annual export sales exceed \$1 million.

"Because the team provides both insurance and financing support, customers can contact the team for all their financial needs," says Team Leader Sherry Noble.



EDC (Export Development Corporation) is in business to support Canada's export trade by helping Canadians compete in world markets. It is owned by the Government of Canada, operates on commercial principles and is financially self-sufficient. Its risk management services – including insurance, financing and guarantees – have become an integral part of the export strategies of many small- and medium-sized Canadian companies.

1 800 850-9626



Department of Foreign Affairs
and International Trade

Department of Foreign Affairs and International Trade *International Market Intelligence*

Foreign Affairs and International Trade is the leading federal department responsible for Canada's international trade and export development. If you need information on international markets, trade regulations or government programs, publications and services related to international trade, call the toll-free number below.

InfoCentre 1 800 267-8376



Canadian Commercial Corporation *Export Contract Advice and Assistance*

The Canadian Commercial Corporation (CCC) offers exporters a wide range of services designed to help them conclude sales, particularly to foreign governments and international agencies. CCC's participation assures contract performance to a foreign customer, enhancing the Canadian exporter's chance of securing a contract on advantageous terms. CCC can also help to access pre-shipment financing.

1 800 748-8191

and obtain their views on how we can play a more effective role."

Having EDC on board as a financial partner is particularly critical to exporters in this sector, says Noble. "The team structure will allow us to develop closer



Business Development Bank of Canada

*Specialized financing for
small- and medium-sized business*

The Business Development Bank of Canada promotes small- and medium-sized business and assists exporters with specialized financing, business counselling, training and mentoring services.

1 800 361-2126



Canadian Exporters' Association *The "Voice" of Canada's Exporting Community*

The Canadian Exporters' Association provides its members and the Canadian export community with information, advice, support, seminars and advocacy on behalf of the export community.

Tel: (613) 238-8888

a strategic financial partner to them."

*Lynn Gauker, with contributions by
Cathy Lynch and EDC's Engineering
and Professional Services Team and
Marketing Department*

k" Workshops

world, don't do it alone!
is about country risk

Everyone benefits

The "Let's Talk Risk" workshops give you up-to-the-minute economic data and information on various markets from fellow exporters and EDC personnel. At the same time, the workshops give us a better understanding of your company, its experiences, challenges and concerns. EDC is committed to providing Canadian exporters and their global customers with the highest quality financial services possible.

the current economic

Opportunities Workbook

on key export markets

periences with other

and a large proportion of this business is handled by international banks using irrevocable letters of credit (LCs).

Market conditions in some parts of the world are becoming increasingly risky. In certain markets, particularly where country risk (often called "political" risk) is assessed as being high, financial institutions may be unwilling to provide confirmations on LCs without additional security.

Smaller exporters

Small- and medium-sized enterprises (SMEs) are one of the fastest growing segments of Canada's economy. But less than 7 percent of Canada's 921,000 SMEs export their products and services. EDC can help change that. We've created a new team of specialists whose sole mandate is to help small companies export more successfully. By calling **1-800-850-9626** from anywhere in Canada, exporters with export sales of \$1 million or less will instantly reach a decision-maker who can provide you with the practical insurance and financing support services you need.

EDC can help

EDC (Export Development Corporation) is a self-funding Crown corporation that helps Canadian exporters compete and succeed in foreign markets by providing insurance, financing and guarantees.

risk-sharing capacity to support our customers' needs."

In addition to underwriting and administering the DCIP, the team's four financial services managers (FSMs) monitor foreign banking sector developments in emerging and high-risk markets. Close surveillance of foreign markets enables the team to take educated risks in "difficult" countries. For example, EDC recently made short-term coverage

WORKSHOP DATES

London

April 16

Ottawa

April 18

Saskatoon

April 23

Calgary

April 24

Kelowna

April 25

Toronto

April 30

Montreal

May 1

Ce document est également disponible en français.



Minimize risk.
Export with
confidence.

are also handled by the team, ranging from frozen vegetables to medical and related instruments, to industrial and communication-related equipment.

Last year, the Financial Institutions Team did a majority of its business in Mexico (45 percent of volume), Iran (28 percent) and Algeria (10 percent).

*Cathy Lynch, with contributions by
EDC's Financial Institutions Team
and Marketing Department*

OFFICES

VANCOUVER

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Fax: (604) 666-7550

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510 - 5th Street S.W.
Calgary, Alberta T2P 3S2
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Fax: (403) 292-6902

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8th Floor
330 Portage Avenue
Winnipeg, Manitoba R3C 0C4
Tel.: (204) 983-5114
Fax: (204) 983-2187

LONDON

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148 Fullarton Street
London, Ontario N6A 5P3
Tel.: (519) 645-5828
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Suite 810
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Toronto, Ontario M5H 3S5
Tel.: (416) 973-6211
Fax: (416) 862-1267

OTTAWA

151 O'Connor Street
Ottawa, Canada K1A 1K3
Tel.: (613) 598-6850
Fax: (613) 598-3080

MONTREAL

Suite 4520
800 Victoria Square
Montreal, Quebec H4Z 1C3
Tel.: (514) 283-3013
Fax: (514) 878-9891

HALIFAX

Purdy's Wharf Tower II
Suite 1410
1969 Upper Water Street
Halifax, Nova Scotia B3J 3R7
Tel.: (902) 429-0426
Fax: (902) 423-0881

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1 800 748-8191

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Having EDC on board as a financial partner is particularly critical to exporters in this sector, says Noble. "The team structure will allow us to develop closer

a strategic financial partner to them."

Lynn Gauker, with contributions by Cathy Lynch and EDC's Engineering and Professional Services Team and Marketing Department

Registration

You want to know more about the workshops!

To obtain your registration package and background information, please fax or send by mail the following coupon to the EDC office nearest you.

"Let's Talk Risk" Spring 1996 Workshops

Company: _____

Address: _____

City: _____ Prov.: _____

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Name: _____ Title: _____

Name: _____ Title: _____

Specific countries that you would like us to focus on: _____

Banking on trade opportunities

EDC's Financial Institutions Team, in partnership with Canadian and foreign financial institutions, supports short-term export sales across all industries.



The additional security frequently comes in the form of EDC's Documentary Credits Insurance Policy (DCIP), issued to financial institutions supporting Canadian exporters who are receiving payment via LCs. The insurance protects financial institutions against non-payment by foreign banks, and encourages them to accommodate deals in markets where they might otherwise have a limited appetite for risk.

For exporters of all sizes, the DCIP opens up more markets by reducing the risk of non-payment, and it can improve cash

available in Russia, for transactions with selected banks.

EDC's other business sector teams also rely on the seven-member Financial Institutions Team to provide assessment and analysis of the creditworthiness of foreign banks for short-term insurance transactions.

According to Team Leader Leslie Goodfellow, "Timely access to information about foreign banks and developments in foreign banking sectors is critical. It has a direct impact on our ability to respond quickly to inquiries, and to take on more risk." She adds that, by working closely and sharing LC and bank analysis expertise, the FSMs improve the team's ability to provide rapid responses and to support increasing export sales into such high risk markets as Brazil, Mexico, Iran, and Algeria.

Goodfellow says turnaround time is a priority for the team. "When an exporter is in a competitive bid situation," she explains, "timing can be critical. The team's FSMs are well-equipped to respond to the inquiries received from the banks and, in most cases, same-day response is provided."

While the Financial Institutions Team covers all industry sectors, bulk agricultural commodities accounted for 82 percent of its insured volume in 1995. The primary bulk agricultural commodities insured by EDC are grains, oil seeds and dairy products, plus a range of other non-bulk agricultural commodities, such as coal and potash. A wide variety of other exports are also handled by the team, ranging from frozen vegetables to medical and related instruments, to industrial and communication-related equipment.

Last year, the Financial Institutions Team did a majority of its business in Mexico (45 percent of volume), Iran (28 percent) and Algeria (10 percent).

Cathy Lynch, with contributions by EDC's Financial Institutions Team and Marketing Department



**Financial Institutions Team
Leader: Leslie Goodfellow**

Goods supported include: All goods and services sold on LC terms up to 360 days.

Customer contacts:

- Exporters may direct inquiries to their bank's trade finance operation or contact the Financial Institutions Team at (613) 598-6639.

flow because the exporter's bank may be prepared to advance funds against a secure LC. It also reduces the time spent on paperwork, because the bank, as policyholder, handles all aspects of policy administration.

EDC's new Financial Institutions Team works closely with bank customers to find ways to support exporters in high-risk markets. "EDC is open to exploring new ways of doing things, and enhancements to the DCIP have made it a more helpful product," says Neil Rennie, General Manager of the Trade Finance Division at CIBC, a longtime DCI policyholder. He adds, "We see EDC as a critical partner, and work together in a risk-sharing capacity to support our customers' needs."

In addition to underwriting and administering the DCIP, the team's four financial services managers (FSMs) monitor foreign banking sector developments in emerging and high-risk markets. Close surveillance of foreign markets enables the team to take educated risks in "difficult" countries. For example, EDC recently made short-term coverage

Approximately 80 percent of Canada's export trade is conducted on short-term credit, and a large proportion of this business is handled by international banks using irrevocable letters of credit (LCs).

Market conditions in some parts of the world are becoming increasingly risky. In certain markets, particularly where country risk (often called "political" risk) is assessed as being high, financial institutions may be unwilling to provide confirmations on LCs without additional security.

Logging global success

EDC's new Forestry Team is helping exporters in this industry manage risk, grow their business, remain competitive and develop trade with emerging markets.

For the past 200 years, Canada's forest products industry has played a vital role in this country's economic development, both as a major employer and an essential source of export earnings.

Today, Canada is the world's largest exporter of forest products, with an 18 percent share of the global market. The latest Statistics Canada figures reveal that in 1994, Canada's forest products industry:

- exported some \$32 billion worth of goods – 15 percent of Canada's total exports;
- shipped the bulk of its products – 69 percent – to the United States, followed by 12 percent to Japan and five percent to Asia Pacific;
- accounted for Canada's largest trade surplus, helping to offset the country's deficit in other areas; and
- employed some 260,000 Canadians directly and about one million Canadians indirectly in more than 350 communities coast to coast.

Between 1990 and 1994, the industry experienced an impressive annual growth rate of 10 percent, with a 26 percent increase reported in 1994 – a five percent higher growth rate than any other Canadian industry.

Forest products has traditionally been an important industry for EDC as well as for Canada. In 1995, the industry accounted for \$5.1 billion worth of EDC business volumes. These volumes represented 30 percent of the Corporation's total business and 39 percent of its short-term insurance volumes.

Given the significance of forest products to both Canada and EDC, the Corporation launched the Forestry Team November 1 to meet the specialized needs of this industry. The team supports

Canadian companies that export forest products, including lumber, millwork, windows, doors, paper, paperboard, cardboard, pulp and packaging.

According to Forestry Team Leader Catherine Hess, EDC's shift to a business team structure has not significantly changed the way forestry customers deal with EDC. However, she says, the new structure *will* provide several benefits, including:

- more consistent pricing, and a greater number of product enhancements to better support different segments within the industry; and
- a more consistent approach to risk management than in the past. The team's evaluation of a buyer's financial condition and performance will be enhanced by its growing awareness of industry standards and closer monitoring of industry risks, complemented by the expertise of industry specialists in EDC's Credit Surveillance and Analysis Department and Economics Department.

Hess points out that 99 percent of EDC's volume of forest products pertains to short-term insurance. "It's an important product for the pulp and paper sector, owing to its cyclical nature and the substantial exposure levels with buyers," she says. "Also, a significant amount of exports in this sector are destined for the more volatile countries of Central and South America."

According to Hess, EDC's short-term insurance is an equally important risk management tool for the building materials sector, which is highly susceptible to economic conditions impacting the construction industry.

An important priority for EDC's Forestry Team will be to increase the number of small- and medium-sized enterprises (SMEs) that use EDC's services, mainly those in the building materials segment. SMEs currently represent 45 percent of the team's insurance policyholders.

"We plan to grow that business by raising our profile in the industry – through increasing involvement in industry associations, conferences and trade shows," says Hess.

Brenda Brown, with contributions by EDC's Forestry Team and Marketing Department



Lloyd Sutton, Masterfile Corp.



Forestry Team Leader:
Catherine Hess

Goods supported include: Forest products, including lumber, millwork, windows, doors, paper, paperboard, cardboard, pulp and packaging.

Customer contacts:

- **Forestry Team at (613) 598-2936** (for companies requiring insurance for forest products and whose annual export sales exceed \$1 million)
- **Industrial Equipment Team at (613) 598-3163** (for companies requiring financing and insurance for the export of forestry machinery and equipment and whose annual export sales exceed \$1 million)
- **Emerging Exporters Team at 1-800-850-9626** (for companies whose annual export sales are under \$1 million)

Geared up to increase export support

With a customer team created to serve Canadian industrial equipment manufacturers, EDC is aiming to help these companies expand their export business.

If EDC's newly formed Industrial Equipment Team were to adopt a credo, it might very well be "Serving the needs of many."

According to Team Leader Stephen Dempsey, the team supports a wide variety of Canadian industrial equipment manufacturers, whose individual annual exports exceed \$1 million. These companies include mould and machinery manufacturers for the metals foundry, glass, rubber and plastics industries; resource equipment manufacturers; construction products manufacturers; oil and gas products and energy equipment manufacturers, and just about everyone else in-between.

The industrial equipment industry represents one of Canada's largest and most traditional exporting segments. In 1994, this industry's exports totaled \$11 billion, a 38 percent increase over 1993 exports.

The good news gets even better: Canada's industrial equipment exports are forecast to increase 15 percent annually between 1996 and the year 2000, as emerging markets open their doors to Canadian exporters.

EDC's support for industrial equipment exports reflects the industry's growth trend. In 1995, the Corporation's total business volume in support of the industry was \$756 million, up 15 percent from 1994. This volume was a mixture of both short-term insurance support and medium- and long-term financial support.

While EDC's support for this industry has been fairly substantial, says Dempsey, there is definitely room for improvement — which will be a natural outflow of the new team structure.

FIRST LIGHT



**Industrial Equipment Team
Leader: Stephen Dempsey**

Goods supported include: Large, capital-goods machinery and equipment for agriculture, heating and cooling, construction, mining, forestry, oil, gas and power, and electrical generating equipment.

Customer contacts:

- **Industrial Equipment Team at** (613) 598-3163 (for companies whose annual export sales exceed \$1 million)
- **Emerging Exporters Team at** 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

"One reason we expect the team concept to greatly benefit this sector is because we now have the ability to offer a full range of EDC products through one team, which means streamlined service for customers," he says.

Another reason, says Dempsey, is that while EDC has the foreign-market knowledge its industrial equipment customers consider vital to helping them access foreign markets, it needs to hone its knowledge of customers' businesses.

"Having a team focused solely on supporting this industry, coupled with our plans to meet frequently with customers and to form closer ties with industry associations, will allow us to develop this knowledge," he says. "In turn, we'll be able to tailor our products to customers' needs."

Dempsey adds that the fact that a large percentage of the Industrial Equipment Team's customers are small- and medium-sized enterprises (SMEs) also lends itself to the team concept.

"SMEs generally require very prompt and efficient service to meet their fast-paced needs," says Dempsey. "Through our team, they will have to contact only one EDC representative, to meet all their insurance and financing needs, which means they'll get quicker turnaround than before on requests for credit and buyer approvals as well as in arranging financing for their foreign buyers."

According to Dempsey, EDC's support is becoming increasingly important to companies in this industry. "About 90 percent of Canadian industrial equipment exports are currently geared toward OECD markets," he says. "However, the infrastructure privatization trend in emerging markets will lead to increased export opportunities for Canadian industrial equipment manufacturers outside of traditional markets, as well as to a greater need for more sophisticated financing structures.

"There will therefore be numerous opportunities for EDC to help these exporters grow their commercial business in emerging markets," Dempsey points out. "Also, given that EDC supports less than nine percent of all Canadian industrial equipment exports, there is obviously substantial room for us to increase the number of customers in this industry that we support."

Lynn Gauker, with contributions by EDC's Industrial Equipment Team and Marketing Department

Supporting a wealth of information

Less than one year ago, EDC launched a customer team to service Canadian information technology companies. Since then, customers have been returning positive report cards on the team's ability to provide critical financial products.

EDC's Information Technologies Team was launched at the end of March 1995 to respond to the growing international demand for information technology (IT), equipment and services. The team supports Canadian IT companies whose annual export sales exceed \$1 million.

"The sector is growing rapidly, and we have to grow with it to ensure we provide the right insurance and financing tools exporters need to compete in the

rapidly changing global marketplace," says Eric Siegel, EDC's Senior Vice-President, Medium and Long Term Financial Services. "Our team structure allows us to do that."

Siegel says the team structure provides customers with several other benefits as well.

"Our IT customers now have to contact only one EDC team for their financial needs, rather than several," he says. "Also, because each team member

focuses on supporting customers in only one sub-sector, the team member can develop a deep understanding of customers' needs and can tailor products and service to meet their needs."

If business volume is any indication, EDC's sector-focused approach is already paying dividends. In 1995, EDC's IT business volumes were \$2.1 billion, a 40 percent increase over 1994.

As well, feedback from some of the country's foremost IT firms indicates the team concept has met with resounding success.

One notable example is Newbridge Networks

Corporation, based in Kanata, Ontario. Newbridge is a world leader in the design, manufacture, marketing and support of software-driven, advanced digital networks for wide area network (WAN) and local area network (LAN) applications.

"Newbridge relies on international trade for its survival," says Joe Lee, Assistant Vice-President, Business Development. "The valuable support of EDC's IT Team in general, and the excellent advice of the team's contract specialists, help us become increasingly competitive in the international telecommunications market."

International Datacasting, an Ottawa-based manufacturer of low-cost data and audio satellite communications products, also relies on EDC's IT Team to help it access foreign markets.

"Our demand for EDC's short- and medium-term insurance products will often vary during the course of contract negotiations with customers," says Phil Bolger, Treasurer and Controller at International Datacasting. "EDC's IT Team provides the right product for each buyer situation we face, and the flexibility to change as the need dictates."

Mike Cooper, Chief Executive Officer of Advanced Gravis, located in Burnaby, B.C., agrees with Bolger that the flexibility EDC's team approach brings to the IT sector is critical to his company's export strategies. Advanced Gravis designs, manufactures and sells joysticks, gamepads and high-end computer sound cards for both Macintosh and IBM-compatible computers in markets around the world.

"To continue to succeed internationally, we need financial partners and suppliers that understand our business and can provide the products and services we need to support our rapid growth," says Cooper. "With its sector-focused team, EDC has greater insight into our business and can bring a fuller range of support to the table."

Maintaining close contact with sectoral associations and attending prominent international conferences are also helping EDC's IT Team gain a better understanding of both the industry and customers' needs.

"We are rapidly increasing our knowledge of customers' markets, the obstacles they face and how we can help them grow," says Siegel. "Our expertise makes customers look to EDC as a strategic business partner, rather than just a supplier of goods and services."

Brenda Brown, with contributions by Katie Carey and other IT members



Information Technologies Team Leader: Peter Foran

Goods & services supported include:

Telecommunications equipment and services, electronic parts and components, computer equipment, software, services and instrumentation and consumer electronics.

Customer contacts:

- Information Technologies Team at 613-598-6891 (for companies whose annual exports exceed \$1 million)
- Emerging Exporters Team at 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

En route to export success

Increasing its knowledge of customers' businesses, developing a greater appetite for risk and decreasing turnaround times are key objectives of EDC's new Transportation Team.

Canada's transportation industry is thriving – despite global shrinking defence budgets for such items as military aircraft and highly cyclical commercial markets.

As Canada's largest manufacturing sector, the transportation industry has a major impact on this country's economy, directly employing more than 200,000 Canadians.

With its 15 automotive assembly plants, Canada is the sixth-largest producer of automobiles in the world. Canada is also the fifth-largest exporter

of aerospace equipment and services in the Western world and has shown more growth in this sector since the 1970s than any other country in the world. And, while rail equipment is a relatively small sector for Canada, it has achieved significant export growth over the past five years and is forecast to continue to achieve sizable growth.

Between 1989 and 1994, Canada's transportation industry increased its export volumes from about \$38 billion to nearly \$63 billion. This figure represented about 30 percent of total Canadian trade in 1994.

The future also looks bright for this industry. According to EDC's Economics Department, Canadian transportation exports are expected to grow by about eight percent per year over the next five years.

"This industry is more than ready to take on the export challenges of the next decade and beyond," says Henri Souquières, Team Leader of EDC's newly formed Transportation Team.

The team was formed in November to provide support to companies with annual export sales

exceeding \$1 million in such sectors as aircraft and parts, motor vehicles and parts, shipbuilding and repair, railroad rolling stock (train and metro cars) and other transportation equipment.

Souquières says that while the transportation industry accounts for only two percent of EDC's total customer base, it provides 10 percent or \$1.7 billion of the Corporation's total business volume.

Some 54 percent of EDC's customers in the transportation industry – primarily automotive parts exporters that sell to the United States – use the Corporation's short-term insurance. About one-half of

the balance of customers use EDC financing (primarily aerospace exporters), while the other half use medium-term insurance.

Building strong and lasting partnerships with customers is a key goal of the Transportation Team. In particular, the team sees opportunity to develop new partnerships with medium-sized companies.

As well, the team will address customers' desire for EDC to increase its knowledge of their businesses and its appetite for risk, and to decrease turnaround times.

Souquières maintains that because the team will focus strictly on supporting transportation customers, it will be able to develop a deeper knowledge of their businesses and the exporting challenges they face.

"And, as the team increases its knowledge of customers' businesses, it will become increasingly familiar with the exporting risks customers face," says Souquières. "By understanding customers' risks, we should be in a better position to take on more risk."

Turnaround times will also be enhanced by the new team structure, says Souquières. "Our team will be able to generate financial solutions across EDC's product lines and make quicker decisions than in the past, which will lead to quicker service."

Souquières says that as the financing and insurance transactions in the transportation industry become increasingly complex, the team will continue to increase its knowledge of new financing and insurance techniques.

"By working closely with our customers, we'll be able to continuously develop innovative, customized financing and insurance solutions to meet their needs," Souquières maintains.

Brenda Brown, with contributions by EDC's Transportation Team and Marketing Department



Photos courtesy of Bombardier, Regional Aircraft Division, Western Star Trucks Holdings Ltd., Nova BUS Corporation, GM of Canada Ltd., Diesel Division and Saint John Shipbuilding Limited



**Transportation Team
Leader: Henri Souquières**

Goods supported include: Aircraft and parts, motor vehicles and parts, shipbuilding and repair, railroad rolling stock (train and metro cars) and other transportation equipment.

Customer contacts:

- Transportation Team at (613) 598-3164 (for companies whose annual export sales exceed \$1 million)
- Emerging Exporters Team at 1-800-850-9626 (for companies whose annual export sales are under \$1 million)

Healthy export growth for 1996

After three years of accelerating growth, Canadian export activity came in for a soft landing in 1995. EDC is forecasting export growth of more than nine percent in 1996.

Have we seen the end of our export boom? Will the export sector become a millstone on the Canadian economy in 1996? Our answer to both of these questions is no, although we *do* see a moderation in Canadian export growth in 1996. The export growth rates in the high teens and low twenties, seen in the past three years, are simply not sustainable.

After three years of accelerating growth, Canadian export activity weakened considerably in the first half of 1995. A fall in second-quarter export activity in 1995 brought the Canadian economy to its knees – output shrank and employment stagnated. That's the bad news.

The good news is that EDC is forecasting growth in export sales of more than nine percent in 1996, which still represents a healthy economic engine.

Two fundamental factors are impacting Canada's export performance: demand prospects in our external markets, and our outlook for Canada's global competitiveness.

Although the pace of global economic activity eased considerably last spring, global expansion is still alive, and conditions are favourable enough to produce reasonably good growth in 1996.

There were three threats to Canada's economic recovery last spring. First, the U.S. economy hit a virtual air pocket early in the year with excess inventories. This caused a sudden swing in industrial output from boom conditions at the beginning of 1995 to outright declines two months later.

The second threat to Canada's global expansion was the risk that fallout from the crisis in Mexico would undermine the otherwise positive prospects for emerging market economies.

The so-called "tequila effect" is now fading, and the hemorrhage of capital that

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occurred from many emerging economies has been stanchd for the time being. In fact, capital is flowing back into emerging markets much more quickly than EDC thought it would.

The third risk to Canada's global growth that surfaced early last year was the downward spiral that appeared to be developing in Japan. (See article, page 21.) This continues to be problematic.

Although Japan's economy grew at a surprisingly strong annual rate of 3.1 percent in the second quarter of 1995, the pick-up owes itself more to temporary factors – such as reconstruction after the Kobe earthquake in January – than to any underlying strength in demand.

Japan's economy continues to teeter on the drop-edge of recession, with both the external and domestic sectors showing weakness.

Putting it all together, we at EDC are of the view that although global expansion is still very much alive, it has lost some of its zest. So the world's appetite for goods and services will moderate somewhat.

We're calling for world import growth to moderate from an estimated 10 percent in 1995 to 7.5 percent in 1996.

The second fundamental factor affecting Canada's export growth is competitiveness.

While the good performance in our cost competitiveness has helped us enormously in our market drive over the past few years, virtually all our gains in cost competitiveness have been the result of a favourable movement of the Canadian dollar relative to competitors' currencies. Our unit cost performance, although it has been very good, has had a relatively small impact on our competitive position.

Canada has not gained much ground in terms of production costs, although the country succeeded in actually reducing unit labour costs in 1994. The problem is that our competitors are all doing the same thing. So, while we have been very diligent in our cost-cutting efforts, we have made only limited headway in regaining ground lost in the late 1980s.

With only limited scope for advancing the yardsticks in terms of production costs, and with the likely direction of the dollar upward, we will need to rely more on the other elements of the marketing mix – product design, better market targeting and improved delivery and service – to maintain the upward momentum of our world market share of exports.

Excerpts of a speech given to exporters by EDC Chief Economist Jim Olts, during EDC's fall 1995 country risk workshops

Boom or Bust?

A reflection on credit quality conditions in corporate Japan, as its economy teeters between recession and recovery.

The Japanese economy is a patient in need of a change of medicine. The country's endless string of fiscal stimulus packages has not solved the problem. Recent indicators point to an economy that cannot decide which way to turn.

Despite encouraging retail sales in Japan in recent months, weak income growth and deep consumer pessimism will likely keep household spending down at least for the first part of the year. Although tax rebates have helped boost disposable incomes, this has been offset by weak wage growth and declining job opportunities due to companies' severe cost-cutting measures.

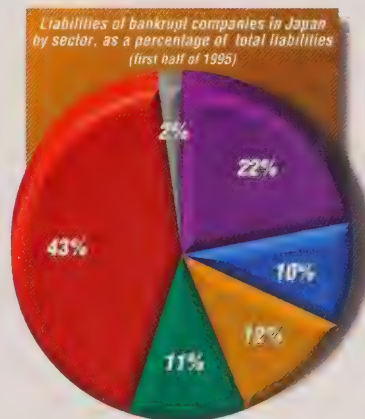
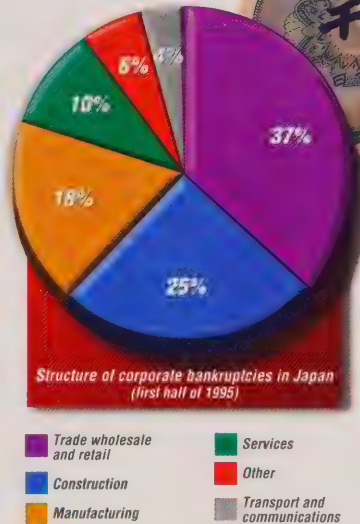
Investment spending is the only sector of Japan's economy showing signs of life. Although excess production capacity will continue to exert a downward pressure on investment, there are signs of a recovery. Instead of focusing on increasing capacity, a large proportion of new investment is directed toward purchasing equipment that increases efficiency and saves labour costs.

Further hope is being put in the recent depreciation of the yen. By making Japanese exports more competitive, a weaker yen could help jump-start Japan's ailing economy and boost corporate profits.

Corporate health deteriorating

Japan's corporate health has fully reflected the weak state of the economy. Data for the first half of 1995 points to a marked deterioration of business conditions, as corporate Japan suffered a rising tide of business failures. Bankruptcies continued to run at well over a thousand per month and are up five percent compared with the same period in 1994.

However, the increased size of bankrupt companies is much more alarming. The strong yen, the Kobe earthquake and a continuing hangover from the excesses of



the 1980s' "bubble" economy has harmed even large corporations. As a result, bankruptcy liabilities were up 51 percent in the first half of 1995, compared with the first half of 1994. The major increase in liabilities was due to several prominent bankruptcies in the banking sector.

In the construction sector, the brunt of Japan's corporate problems continues to be borne predominantly by smaller companies. These companies suffer from industry

restructuring and a lack of orders from major contractors. In retailing, a major shift to discount stores and price deflation led to a 7.8 percent increase in business failures in the first six months of 1995.

Corporate profits might help

Some hope for improving Japan's corporate health lies in corporate profits, expected to rise due to cost-cutting efforts and the recent weakening of the yen. However, overall credit quality conditions are not expected to improve significantly.

An important factor undermining credit quality conditions in Japan is its bad loans crisis. Japanese monetary authorities are finally admitting that the number of non-performing loans in the banking sector is too high.

Given the Japanese authorities' reaction to the failures of the Cosmo and Kizu credit unions and Hyogo Bank, it is very likely the authorities will provide full support to depositors in ailing financial institutions. The authorities will not likely allow any of the large commercial banks to fail. However, it will be the Japanese taxpayer who will pick up the tab of keeping these banks afloat.

Boom or bust?

Japan's economic situation is probably neither boom nor bust. Its economy will continue to move in a slumber state, only slowly recovering from the hangover of the past decade. Given Japan's slow economic growth and numerous structural problems, it is unlikely that its corporate health will recover strongly in the near future.

Albeta Klein, Economist



Mexico: Still facing a rough road ahead

One year after the collapse of Mexico's economy, the country's economic situation remains precarious. As the recession wears on, there is increasing political pressure on President Ernesto Zedillo to loosen the tight fiscal and monetary policy that has begun to stabilize the economy.

Compounding President Zedillo's problems are the considerable splits within the party and a series of electoral defeats in state elections.

With a weak peso cutting local production costs, Mexican export industries will continue to do well. However, Mexico's domestic economy will have to endure the effects of last winter's currency crisis for some time.

While it was generally acknowledged that the recession that followed the 1994 devaluation would be severe, the size of the contraction of Mexico's economy has been surprising.

The corporate sector will generally continue to face severe financial strain for at least the next two years, due to high interest rates and limited credit availability. This raises new concerns about the banking sector, already burdened with a large portfolio of bad loans.

Gross domestic product (GDP) dropped by at least six percent in 1995, and a recovery should not be expected until well into 1996. Even then, the recovery will be relatively weak.

High interest rates, fiscal restraint and a heavy private-sector debt burden will continue to limit investment spending. Any recovery will have to be driven by export demand and, to a lesser extent, by foreign direct investment.

While the prospects for Mexico's domestic economy are bleak, there are some reassuring external signs. Mexican exports are up sharply, and imports have plunged, yielding a trade surplus for the first time since the 1980s. We will continue to watch the situation closely.

Todd Atherton
Economist

Brazil: Performing a delicate balancing act

Brazil's 1994 economic stabilization plan and its recent introduction of a new currency, the *real*, continue to reduce the country's monthly inflation rate. While recent developments are encouraging, Brazil's balance of payments and reserve position have a history of volatility.

As well, there are many unsettling similarities between Brazil today and Mexico prior to the collapse of its economy last year. For instance, Brazil's inflation rate is limited by an overvalued currency, and its buildup of reserves is financed in large part by speculative capital inflows attracted by high interest rates.

The challenge in the next year will be for Brazil to manage the depreciation of the overvalued real while pushing ahead with politically difficult fiscal and structural reforms.

With foreign exchange reserves exceeding US\$40 billion, Brazil currently has no shortage of foreign exchange and could withstand some temporary pressure on the balance of payments over the next year. But there is a possibility of a deteriorating balance of payments in the medium term, the extent of which will depend on the evolution of domestic fiscal and monetary policies.

Implementation of an effective, long-term stabilization program must be centred on deep fiscal adjustments, to overhaul Brazil's public finances at all levels of government. However, President Fernando Henrique Cardoso and his supporters govern with a coalition. Consequently, structural change is expected to continue, but at a slow pace. Without further reforms, budgetary problems are set to return and could derail yet another Brazilian stabilization plan.

Todd Atherton
Economist



Credit surveillance partnership reduces export risk

While EDC's credit insurance protects Canadian companies against non-payment by their buyers, policyholders need to manage their own credit risk – with a little help from EDC.

Most Canadian companies recognize the critical role credit insurance plays in protecting their accounts receivable against non-payment by their buyers. Equally important, however, is the need for policyholders to continue managing their own credit risk. EDC can be a valuable partner in helping exporters do so.

Despite EDC's access to numerous information sources, frequently the only way for the Corporation to obtain current credit and financial information on a buyer is to go directly to the source.

Frequently, a sale hinges on a policyholder's ability to respond quickly to a buyer's request for credit. EDC's Credit Surveillance and Analysis Department uses various innovative information technology and credit-granting tools to help meet customers' needs for timely credit approvals.

One such tool is EDC's highly automated Credit Administration System (CAS), a one-stop credit surveillance and monitoring facility. Its decision-support models, for instance, allow the computer to make simple decisions on buyer credit approvals. Higher risk assessments continue to be made by a team of underwriters and credit analysts.

CAS is linked to mainframes in North America and to other databases throughout the world. This allows EDC instant daily access to information on millions of companies worldwide and helps the Corporation make credit decisions on a timely basis.

Here is how the credit process works:

- The policyholder may phone or fax EDC its request for credit on a buyer.
- If EDC has information on the buyer and if sufficient credit is available under the Corporation's global limit, a credit approval will automatically be faxed to the customer.
- Should EDC not have existing information on the buyer, the Corporation will turn to one of its many databases.
- Once EDC has the information in hand, the credit analysis will be conducted either by a computerized decision-support model or by a team of underwriters and credit analysts, depending on the buyer's risk level. The amount of information EDC collects and the depth of the credit analysis it performs are also generally commensurate with the buyer's risk and exposure levels.

Despite EDC's access to numerous information sources, frequently the only way for the Corporation to obtain current credit and financial information on a buyer is to go directly to the source. Obtaining this information is particularly important for EDC to support requests for new or increased credit limits and in cases where there are payment reschedulings and additional credit support is needed. EDC consults with the policyholder in advance of contacting the buyer.



Douglas E. Walker, Masterfile Corp

In recent years, EDC has had to monitor a burgeoning number of transactions in an increasingly complex international business environment. Nevertheless, through its innovative credit information technology and tools, EDC has helped and will continue to help Canadian companies monitor their buyers' credit risk.

Ultimately, EDC's goal is to continue to provide policyholders with cost-effective and efficient short-term insurance.

*Gregory Chrispin
and Graham Makohoniuk
Credit Surveillance Officers*

Claims paid

January 1-November 30, 1995

Companies	Claims	Cdn total
243	579	\$25,857,278.53
Export markets		# of claims
Africa		2
Asia and Middle East		7
Caribbean and Latin America		68
Europe		26
U.S.A.		476
Risks		
Default		441
Insolvency		128
Repudiation		4
Political and transfer		4
Termination of contract		2
Payments		
Under \$5,000		253
Between \$5,000 and \$100,000		280
Between \$100,000 and \$1 million		41
Over \$1 million		5

Lines of credit and other export financing

EDC has many types of export financing facilities to simplify the purchase of Canadian goods and services by buyers in export markets.

These facilities fall into three broad categories: supplier credit financing, buyer credit financing and protocols.

One example of supplier credit financing is a note purchase agreement. Under such an agreement, EDC purchases from an exporter a series of promissory notes issued by a foreign buyer to the exporter upon the sale of goods or services.

Buyer credit financing includes direct loans and lines of credit. Direct loans are a financing arrangement between EDC and a buyer, or a borrower on behalf of a buyer, for a pre-determined transaction. Loans usually involve large transactions with long repayment terms.

Lines of credit are a streamlined form of financing in which EDC lends money to a foreign bank, institution or purchaser, which then onlends the necessary funds to foreign purchasers of Canadian goods and services. Interest rates, repayment terms and other details are prearranged between EDC and the foreign borrower, which speeds up turnaround time. Transactions supported under lines of credit are usually valued at between US\$50,000 and US\$5 million. EDC currently has 51 lines of credit, providing easy access to export financing for buyers in some 20 countries.

Protocols are general frameworks between EDC and a foreign financial institution under which EDC offers to consider, on a case-by-case basis, guarantees from that financial institution for EDC's financing of subsequent transactions.

It is important to note that:

- EDC's financing and insurance services are not limited to those countries in which EDC has established lines of credit.
- These lines of credit are not the only way in which EDC will do business in these markets.
- If you are thinking about exporting but have never used one of EDC's lines of credit, it is wise to contact EDC as early as possible.

For more information on how EDC export financing can help you close a deal abroad, contact the regional office nearest you. (Refer to the contact list on the inside back cover.)

CATEGORIES

Overseas Area Code = 011

- 1) Borrower
- 2) Signing amount
- 3) Repayment terms
- 4) Buyer's contact with borrower
- 5) Borrower's North American representative

Lines of credit

MEXICO & SOUTH AMERICA

Andean Pact

- 1) Corporación Andina de Fomento*
 - 2) US\$70 million
 - 3) 3 to 8 years
 - 4) Mr. Fernando Infante, Capital Markets Group
Tel.: 582-209-2283
Fax: 582-209-2329
- * For Bolivia, Colombia, Ecuador, Peru and Venezuela

Argentina

- 1) Banco de Galicia
- 2) US\$13.1 million
- 3) 2, 3, 5 or 7 years
- 4) Mr. Carlos López, International Department
Tel.: 541-329-6487/6488
Fax: 541-329-6486
- 1) Banco Francés
- 2) US\$10 million
- 3) 2 to 7 years
- 4) Mr. Fernando Sola
Tel.: 541-331-7025
Fax: 541-334-2139

- 1) Banco Río de la Plata
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Mr. Ricardo Sturla, Manager
Correspondent Banking
International Department
Tel.: 541-331-7551
Fax: 541-331-5444

- 1) Banco Roberts
- 2) US\$5 million
- 3) 2, 3, 5 or 7 years
- 4) Mr. José Domenech
Tel.: 541-331-5246
Fax: 541-334-6404

- 1) Bridas S.A.P.I.C.
- 2) US\$25 million
- 3) 3 to 8.5 years
- 4) Mr. Horacio P. Ferraro
Manager, Financing Department
Tel.: 541-311-0111
Fax: 541-312-9174

- 1) IMPSA
- 2) US\$15 million
- 3) 3 semi-annual installments
- 4/5) Mr. Claudio Troglia
Director of Purchasing
Tel.: 412-344-7003
Fax: 412-344-7009

- 1) Telecom Argentina Stet-France Telecom S.A.
- 2) US\$45.2 million
- 3) 3 to 8.5 years
- 4) Mr. Pedro Insussarry
Manager
Tel.: 541-968-3068
Fax: 541-313-5842

- 1) Telefónica de Argentina S.A.
- 2) US\$25 million
- 3) 3 to 8.5 years
- 4) Mr. Raul Rolandi
Tel.: 541-325-0190
Fax: 541-325-1920

- 1) Total Austral S.A.
- 2) US\$25 million
- 3) 2 to 8.5 years
- 4) Mr. Joseph Castaing
Tel.: 541-394-8167
Fax: 541-325-8272

- 1) Transportadora de Gas del Norte S.A.
- 2) US\$5 million
- 3) 2 to 5 years
- 4) Mr. Orlando Paolini
Tel.: 541-865-8730
Fax: 541-865-8768

Argentina, Brazil, Colombia

- 1) Bank of Boston
- 2) US\$15 million
- 3) 2 to 8 years
- 4) Mr. Julio Laffaye
Tel.: 541-343-8039
Fax: 541-343-7860
- 5) Mr. Hugo Owen, Vice President
Tel.: 617-434-3107
Fax: 617-434-1188

Brazil

- 1) Petrobrás
- 2) US\$15 million
- 3) up to 5 years
- 4) Mr. Carlos Alberto Massena Barbosa
Tel.: 5-521-534-1454/1457
Fax: 5-521-534-4278

- 1) **Unibanco-União de Bancos Brasileiros**
- 2) US\$15 million
- 3) 2, 3, 4 or 5 years
- 4) Ms. Silvia Nucci
Manager, International Relations
Ms. Patricia Urbano
Manager, Correspondent Banking
Tel.: 5-511-867-4940/867-4321/1900
Fax: 5-511-814-0528/867-1689

Chile

- 1) **Banco O'Higgins**
- 2) US\$10 million
- 3) 2 to 8 years
- 4) Mr. José Luis Silva Carramiñana
Deputy Manager, International Division
Tel.: 562-630-4168
Fax: 562-671-7152
- 1) **Banco Sudamericano**
- 2) US\$10 million
- 3) 2 to 8 years
- 4) Mr. Thierry Houttekier, International Division
Tel.: 562-692-6558
Fax: 562-692-6570
- 1) **Compañía de Teléfonos de Chile**
- 2) US\$15 million
- 3) 3 to 8 years
- 4) Mr. Alejandro Rivera Stambuk
Head of Financing and Investor Relations
Tel.: 562-698-0163
Fax: 562-696-1319

Colombia

Due to the specialized requirements of the market, EDC does not have a line of credit program in Colombia. However, EDC's full range of financing programs are available through the country's leading financial institutions, including:

BANKS

For large/small transactions: **Banco Ganadero, Banco Cafetero, Banco de Colombia and Banco de Bogotá**

For smaller transactions: **Banco Industrial Colombiano, Banco Unión Colombiano, Banco del Estado and Banco Comercial Antioqueño**

FINANCIAL CORPORATIONS

Corfinsura, Corfivalle and Instituto de Fomento Industrial (IFI)

Mexico

- 1) **Banca Serfin, S.A.**
- 2) US\$25 million
- 3) 5 years
- 4) Mr. José Carrasó Arnaiz
Vice President, International Division
Tel.: 525-512-1009
Fax: 525-625-5613
- 5) Ms. Paloma Healey
Chief Representative (Toronto)
Tel.: 416-360-8900
Fax: 416-360-1760

- 1) **Banco Nacional de Comercio Exterior, S.N.C. (Bancomext)**
- 2) US\$90 million
- 3) 5 to 8 years
- 4) Mr. Miguel Angel Burelo
Vice-President, International Banking
Tel.: 525-327-6070
Fax: 525-327-6077
- 5) Mr. Marco Espinosa
Trade Commissioner of Mexico (Toronto)
Tel.: 416-867-9292
Fax: 416-867-1847
- 1) **Banco Nacional de México, S.A. (Banamex)**
- 2) US\$125 million
- 3) 5 to 8 years
- 4) Mr. Gerardo Santos, Comercio Exterior
Tel.: 525-225-6690
Fax: 525-225-6625
- 5) Mr. Max Avila, Representative (Toronto)
Tel.: 416-368-1399
Fax: 416-367-2543
- 1) **Banco Nacional de Obras y Servicios Públicos, S.N.C. (Banobras)**
- 2) US\$20 million
- 3) 5 to 8 years
- 4) Mr. Rubén Domínguez Solís
Assistant Director of Finance
Tel.: 525-723-6020/6014
Fax: 525-723-6291
- 1) **Bancomer, S.A.**
- 2) US\$75 million
- 3) 5 years
- 4) Ms. Cecilia Sáenz y Sáenz
Vice-President, Import Financing
Tel.: 525-621-3861/3491
Fax: 525-621-4758/7635
- 1) **Comisión Federal de Electricidad (CFE)**
- 2) US\$30 million
- 3) 5 to 8 years
- 4) Mr. Ranulfo Matus López
Credit Operations Department
Tel.: 525-286-6859
Fax: 525-286-1456
- 1) **Nacional Financiera, S.N.C. (Nafin)**
- 2) US\$28 million
- 3) 5 to 8 years
- 4) Mr. Jorge Muñoz Cuevas
Manager, Bilateral Financing
Tel.: 525-325-7022/7023
Fax: 525-661-9542
- 1) **Petroleos Mexicanos (Pemex)**
- 2) US\$14.5 million
- 3) 5 to 8 years
- 4) Lic. Guillermo Christy Vera
Associate Managing Director of Finance
Tel.: 525-250-6478
Fax: 525-254-1896
- 1) **Teléfonos de México, S.A. de C.V. (Telmex)**
- 2) US\$35 million
- 3) 4 to 10 years
- 4) Mr. Gustavo León Méndez, Treasury
Tel.: 525-222-1153/1154
Fax: 525-203-5972

Peru

- 1) **Banco Wiese Ltda.**
- 2) US\$15 million
- 3) 2 to 5 years
- 4) Mr. Manuel Custodio Poemape/
Mr. Javier Román
Tel.: 511-426-3328
Fax: 511-426-9414

Venezuela

- 1) **BARIVEN, S.A./PDVSA (Petróleos de Venezuela, S.A.)**
- 2) US\$50 million
- 3) 2 to 8.5 years
- 4) Mr. Richard Maduro
Finance Manager
BARIVEN, S.A. - Caracas
Tel.: 582-201-4761
Fax: 582-201-4605
- 5) Mr. Robert S. LaGrange
Assistant Treasurer
PDVSA Services, Inc. - Houston, Texas
Tel.: 713-588-6430
Fax: 713-588-6992

U.S.A. & CARIBBEAN

Trinidad and Tobago

- 1) **Central Bank of Trinidad and Tobago**
- 2) US\$15 million
- 3) up to 8.5 years
- 4) Ms. Christine Laptiste
Operations Officer, Banking Operations
Tel.: 809-625-0014 (ext. 2327)
Fax: 809-624-5715

EUROPE

Czech Republic

- 1) **Ceskoslovenska Obchodni Banka**
- 2) US\$20 million
- 3) 2, 3, 4 or 5 years
- 4) Mrs. Jaroslava Sindelarova, Manager,
Interbank Credit Relations and Trade
Finance-Import
Tel.: 42-2-2411-42-48
Fax: 42-2-231-14-78
- 1) **Investicni A Postovni Banka**
- 2) US\$10 million
- 3) 2, 3, 4 or 5 years
- 4) Mr. Jiri Vanhara, Director
Correspondent Banking and
International Business
Tel.: 42-2-2407-20-70
Fax: 42-2-2407-22-95

Lines of Credit

- 1) **Komerční Banka a.s.**
- 2) US\$10 million
- 3) 2, 3, 4 or 5 years
- 4) Mr. Jaroslav Jiraský, Regional Manager
Correspondent Banking, International Division
Tel.: 42-2-2119-2416
Fax: 42-2-2421-8880

Slovak Republic

- 1) **Ceskoslovenska Obchodna Banka, A.S., Foreign Branch in the Slovak Republic, Bratislava**
- 2) US\$10 million
- 3) 2, 3, 4 or 5 years
- 4) Mr. Roman Behul, Head of The Export-Import and Financing Department
Tel.: 42-7-345-250
Fax: 42-7-330-538

AFRICA, MIDDLE EAST & FORMER SOVIET UNION

Israel

- 1) **Bank Hapoalim B.M.**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Ms. Yona Rosenberg
Foreign Trade Department
Tel.: 972-3-567-3424
Fax: 972-3-567-4548
- 1) **Bank Leumi Le-Israel B.M.**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Ms. Miriam Salzman, Assistant Manager
Tel.: 972-3-514-8630
Fax: 972-3-664-496
- 1) **United Mizrahi Bank Limited**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Mr. Chana Chefer, Foreign Trade Department
Tel.: 972-3-567-9011
Fax: 972-3-567-9028
- 1) **The Israel Electric Corporation**
- 2) US\$19.5 million
- 3) 5 or 12 years
- 4) Ms. Ilana Blechner
Finance, Trade, Insurance Department
Tel.: 972-4-548-272
Fax: 972-4-515-597

Kuwait

- 1) **Ministry of Finance, State of Kuwait**
- 2) US\$500 million
- 3) 5 or 8.5 years
- 4) Mr. Abdulla Al-Fuwaires, Acting Director
Kuwait Investment Authority
Tel.: 965-243-9595
Fax: 965-240-7617

Lithuania

- 1) **Ministry of Finance**
- 2) Cdn\$10 million
- 3) up to 8.5 years
- 4) Ms. Ruta Skyriene
Head of State Debt Management
Tel.: 37-2-620-919
Fax: 37-2-227-424

Romania

- 1) **Banca Romana de Comerț Exterior S.A., Bucharest**
- 2) up to US\$10 million
- 3) up to 8.5 years
- 4) Mr. Marius Vieru, Area Manager
Tel.: 40-1-614-9947
Fax: 40-1-311-2752

South Africa

- 1) **ABSA Bank Limited**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Rudolph Van Schalkwyk, Divisional Head
International Structured Finance
Tel.: 011-330-3111
Fax: 011-330-3064
- 1) **First National Bank of Southern Africa Limited**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Steve Smith, Manager
International Business Centre
Tel.: 011-371-6583
Fax: 011-371-6888
- 1) **Impofin (Pty) Limited (Alusaf Project)**
- 2) US\$60 million
- 3) up to 8.5 years
- 4) Mr. Dirk van Staden, General Manager
Industrial Development Corporation of South Africa Ltd.
Tel.: 011-883-1600
Fax: 011-883-3643
- 1) **Impofin (Pty) Limited**
- 2) US\$15 million
- 3) up to 8.5 years
- 4) Mr. Dirk van Staden, General Manager
Industrial Development Corporation of South Africa Ltd.
Tel.: 011-883-1600
Fax: 011-883-3643

- 1) **Nedcor Bank Ltd.**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Brennan Nelson, Senior Manager
International Division
Tel.: 011-630-7365
Fax: 011-630-7231

- 1) **The Standard Bank of South Africa Limited**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Gerald Nolan, Senior Manager
Financial Institutions
Tel.: 011-636-7378
Fax: 011-643-2242

Tunisia

- 1) **Ministry of International Cooperation and Foreign Investment**
- 2) US equivalent of Cdn\$100 million
- 3) up to 10 years
- 4) Mr. Abdelhamid Bouhawala
Tel.: 216-1-798-522
Fax: 216-1-799-069

ASIA & PACIFIC

China, People's Republic of

- 1) **Bank of China**
- 2) Approximately US\$300 million or its equivalent in Cdn. or other acceptable foreign currencies**
- 3) up to 10 years
- 4) Mr. Gu Rubai, General Manager
Second Credit Department
Tel.: 8610-601-6688
Telex: 22254 BCHO CN
- 5) Mr. Yiheng Chen, President and CEO
Tel.: 416-362-2991
- 1) **Bank of Communications**
- 2) US\$25 million
- 3) up to 10 years
- 4) Mr. Shi Fulin, Deputy General Manager
Forex Credit Department
Tel.: 86-21-275-1234
Fax: 86-21-275-6224
- 1) **People's Construction Bank of China**
- 2) US\$100 million**
- 3) up to 10 years
- 4) Mr. Wang Xiayan, Manager
International Department
Tel.: 8610-851-5275
Fax: 8610-851-5285

** Concessional financing terms may also be considered by the Government of Canada through EDC. These funds are limited and special criteria apply.

Indonesia

- 1) **Bank Umum Nasional (BUN)**
- 2) US\$10 million
- 3) up to 7 years
- 4) Mr. Kalimuda Sinaga, Assistant Vice President
Correspondent Banking Services
Bunas Center
Tel.: 62-21-231-2828
Fax: 62-21-231-2929

WESTERN REGION

Glen Hammond, Regional Vice-President

VANCOUVER OFFICE

Suite 1030
505 Burrard Street
Vancouver, B.C.
V7X 1M5
Tel.: (604) 666-6234
Fax: (604) 666-7550

RAY JOHNSON

Business Development
Manager

WINNIPEG OFFICE

8th Floor
330 Portage Avenue
Winnipeg, Manitoba
R3C 0C4
Tel.: (204) 983-5114
Fax: (204) 983-2187

DOUG GYLES

Business Development
Manager

CALGARY OFFICE

Suite 1030
510-5th Street S.W.
Calgary, Alberta
T2P 3S2
Tel.: (403) 292-6898
Fax: (403) 292-6902

BRUCE STANTON

Business Development
Manager

ONTARIO REGION

Ruth Fothergill, Regional Vice-President

TORONTO OFFICE

Suite 810
150 York Street
P.O. Box 810
Toronto, Ontario
M5H 3S5
Tel.: (416) 973-6211
Fax: (416) 862-1267

DAVID LITTLE

Business Development
Manager

OTTAWA OFFICE

151 O'Connor Street
Ottawa, Canada
K1A 1K3
Tel.: (613) 598-2992
Fax: (613) 598-6858

HOWARD McCOURT

Business Development
Manager

LONDON OFFICE

Suite 1512
148 Fullarton Street
London, Ontario
N6A 5P3
Tel.: (519) 645-5828
Fax: (519) 645-5580

JAN DVORAK

Business Development
Manager

QUEBEC & ATLANTIC REGION

Toby Price, Regional Vice-President

MONTREAL OFFICE

Suite 4520
800 Victoria Square
P.O. Box 124
Tour de la Bourse
Montreal, Quebec
H4Z 1C3
Tel.: (514) 283-3013
Fax: (514) 878-9891

HUBERT CHÉNIER

Business Development
Manager

HALIFAX OFFICE

Purdy's Wharf Tower II
Suite 1410
1969 Upper Water
Street
Halifax, Nova Scotia
B3J 3R7
Tel.: (902) 429-0426
Fax: (902) 423-0881

GRAHAM COADE

Business Development
Manager

CUSTOMER TEAMS

BASE AND SEMI-MANUFACTURED GOODS TEAM

Kevin Harris
Team Leader

To contact a team member:

Tel.: (613) 598-2823
Fax: (613) 598-2525

CONSUMER GOODS TEAM

Jean Beaulieu
Team Leader

To contact a team member:

Tel.: (613) 597-8501
Fax: (613) 598-2525

EMERGING EXPORTERS TEAM*

John Hutchison
Team Leader

To contact a team member:

Tel.: 1-800-850-9626
Fax: (613) 598-6871

FINANCIAL INSTITUTIONS TEAM

Leslie Goodfellow
Team Leader

To contact a team member:

Tel.: (613) 598-6639
Fax: (613) 598-3055

FORESTRY TEAM

Catherine Hess
Team Leader

To contact a team member:

Tel.: (613) 598-2936
Fax: (613) 598-2525

ENGINEERING AND PROFESSIONAL SERVICES TEAM

Sherry Noble
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* If you are new to exporting and/or have annual export sales of up to \$1 million, contact EDC's Emerging Exporters Team for specialized, streamlined service. If you are an experienced exporter with larger, more complex requirements, contact the appropriate business development manager at the EDC regional office nearest you.

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